

ORIGINAL

NEW APPLICATION



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Arizona Corporation Commission

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Attorneys for Liberty Utilities (Litchfield Park Water and Sewer), Corp.

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION
OF LIBERTY UTILITIES (LITCHFIELD
PARK WATER AND SEWER), CORP. FOR
A CERTIFICATE OF CONVENIENCE AND
NECESSITY TO PROVIDE WATER
UTILITY SERVICE IN MARICOPA
COUNTY, ARIZONA

DOCKET NO. W-01427A-14-0134

**APPLICATION FOR EXTENSION OF
CERTIFICATE OF CONVENIENCE
AND NECESSITY**

Pursuant to A.A.C. R14-2-402, Liberty Utilities (Litchfield Park Water and Sewer) Corp. ("Applicant"), an Arizona public service corporation, hereby applies to the Arizona Corporation Commission ("Commission") for an Order approving the extension of Applicant's existing Certificate of Convenience and Necessity ("CC&N") to provide water utility service in certain defined portions of Maricopa County, Arizona.

INTRODUCTION

Marbella Ranch (the "Property") is an approximately 365 acre property located on the El Mirage Road alignment between Glendale Avenue and Northern Avenue. The Property is within the City of Glendale strip annex and planning area, but is currently part of unincorporated Maricopa County. The Property is currently zoned Rural-43 by Maricopa County. The Luke Air Force Base ("Luke") Air Installation Compatible Use Zone runs along the northwestern portion of the Property.

1 The Property is currently owned by El Paso Natural Gas, LLC, and was originally
2 designated for natural gas storage. While this use is allowed under the current zoning, it is
3 considered incompatible with the operations of Luke. The Property is now vacant, and
4 under contract for sale to TRS 8, LLC, the developer of the Marbella Ranch project
5 ("Developer"). The Developer has filed a rezoning request and comprehensive plan
6 amendment with Maricopa County so that the maximum number of dwelling units on the
7 Property will not exceed 1,260 units. A portion of the property is planned for open space
8 or industrial uses. Luke supports the Developer's request.

9 The Property is immediately adjacent to the water service areas of two private
10 water companies; Applicant and Valley Utilities Water Company. The Property is located
11 approximately 1/8-mile north of the sewer service area of Liberty. It appears that the
12 Developer chose Applicant over Valley Utilities Water Company due to several factors,
13 including but not limited to: (i) Applicant can provide integrated water and wastewater
14 utility service; (ii) Applicant is much larger and better capitalized. (iii) Applicant's
15 existing water system is larger and can provide flexible options in extending water service
16 to the Property, and (iv) Applicant has an existing hook-up fee tariff. Applicant intends to
17 file an application for an extension of wastewater service within the next 60-90 days.

18 APPLICATION

19 In support of this Application, Applicant states as follows:

20 1. Applicant is a public service corporation formed for the purpose of
21 providing water and wastewater utility service in Maricopa County, Arizona. The proper
22 name, address and corporate structure for Applicant, including the amount of stock
23 authorized and subsequently issues, are attached hereto as **Exhibit 1**.

24 2. Applicant's Certificate of Good Standing from the Commission is attached
25 hereto as **Exhibit 2**.

1 3. A full list of names, titles and mailing addresses for Applicant's officers and
2 directors is attached hereto as **Exhibit 3**.

3 4. Applicant's management contact is Greg Sorensen, 12725 W. Indian School
4 Road, Suite D-101. Avondale, AZ 85392. His telephone number is (623) 298-3763.

5 5. Applicant's operator certified by the ADEQ is Matthew Garlick, whose
6 business address is 12725 W. Indian School Road, Suite D-101. Avondale, AZ 85392.
7 The telephone number is (623) 298-3763. Matthew Garlick is also the on-site manager
8 for Applicant.

9 6. Applicant's attorneys are Fennemore Craig, P.C. whose address is 2394 E.
10 Camelback Road, Suite 600, Phoenix, Arizona 85016-3429. The individual attorney
11 responsible for this application is Patrick J. Black. Mr. Black's telephone number is (602)
12 916-5400. All Data Requests or other Requests for Information should be directed to
13 Greg Sorensen, with a copy to Mr. Black's attention, on behalf of Applicant.

14 7. The area covered by this Application includes approximately 368.2 acres
15 ("Requested Area"), which represents property owned by the requesting developer. All
16 property included within the Requested Area is part of the Marbella Ranch development;
17 as such, there are no landowners within the Requested Area who did not request an
18 extension of water utility service. The City of Glendale is the closest municipality with
19 portions of the CC&N Extension Area being part of the City of Glendale strip annex along
20 both Glendale Ave. and Northern Ave. However, with the exception of the strip annex
21 within the road right-of-way, the CC&N Extension area is within unincorporated
22 Maricopa County. Also within five miles is the City of Goodyear, the City of Avondale,
23 the City of Litchfield Park, the City of Phoenix, the City of Peoria, the Town of El
24 Mirage, the Town of Youngtown and the City of Surprise.

25 8. Legal descriptions for the Requested Area are attached hereto as **Exhibit 4**.

26

1 9. A complete description of the facilities proposed to be constructed is
2 contained in the Preliminary Engineering Report for Marbella Ranch, attached hereto as
3 **Exhibit 5.**

4 10. The estimated total cost for construction of facilities required to serve the
5 proposed area is attached hereto as **Exhibit 6.** Construction of the offsite and onsite
6 facilities will be financed through a combination of contributions and advances in aid of
7 construction made by the Developer, as well as capital improvements (equity) paid for by
8 Applicant.

9 11. A general Statement of Financial Condition is attached hereto as **Exhibit 7.**

10 12. Applicant will be charging its existing rates and charges. A copy of
11 Applicants existing tariffed rate schedule is attached hereto as **Exhibit 8.**

12 13. Applicant's estimated annual operating revenue and operating expenses for
13 each of the first five years of operation in the Requested Area is attached hereto as
14 **Exhibit 9.**

15 14. Phase 1 of Marbella Ranch is located in the southern portion of the
16 Requested Area and consists of 600 single family homes. Construction of the first phase
17 of off-site and on-site water facilities to serve the development is scheduled to begin
18 within 18 months of receipt of Commission approval of this CC&N Application and is
19 expected to take approximately one year to complete. Additional phases of on-site
20 facilities for Phase 1 will be constructed as individual parcels are developed within Phase
21 1. Phase 2 of Marbella Ranch is located in the northern portion of the Requested Area and
22 includes 660 dwelling units and a 50.5 acre industrial parcel. Construction of initial water
23 facilities for Phase 2 is expected to begin one year after completion of phase one facilities
24 and is expected to take approximately one year to complete. Additional phase of on-site
25 facilities for Phase 2 will be constructed as individual parcels are developed within Phase
26 2.

1 15. A written request for the extension of water utility service for the Requested
2 Area is attached hereto as **Exhibit 10**.

3 16. Detailed maps of the Requested Area is attached hereto as **Exhibit 11**. Five
4 separate maps labeled Map 11-1, Map 11-2, Map 11-3, Map 11-4 and Map 11-5 are
5 provided. Map 11-1 shows the Requested Area and municipal corporate limits that
6 overlap with or are within five miles of the area. Map 11-2 shows the Requested Area and
7 its relationship to the service areas of public service corporations, municipalities, or
8 districts currently providing water or wastewater service within one mile of the Requested
9 Area, with identification of the entity providing service and each type of service being
10 provided. Map 11-3 includes:

- 11 • the boundaries of the Requested Area, with the total acreage noted.
- 12 • the land ownership boundaries within the Requested Area, with the acreage
13 of each separately owned parcel within the Requested Area noted.
- 14 • the owner of each parcel within the Requested Area.
- 15 • that there are not any known water service connections that are already
16 being provided service by the applicant within the Requested Area.
- 17 • the location of all parcels for which a copy of a request for service has been
18 submitted.

19 Map 11-4 shows the location of Marbella Ranch, the only proposed development within
20 the area. Map 11-5 shows the proposed location of the principal components of the water
21 system planned for the Requested Area.

22 17. A copy of the notice sent to municipal managers/administrators for
23 municipalities within a five (5) mile radius, are attached hereto as **Exhibit 12**.

24 18. Applicant has obtained all appropriate city, county and/or state agency
25 approvals required to provide water utility service in the Requested Area.

1 19. The estimated numbers of customers to be served in each of the first five
2 years of water utility service in the Requested Area is attached hereto as **Exhibit 13**.

3 20. ADEQ Approvals to Construct issued for facilities to be constructed in the
4 Requested Area will be provided to the Commission as soon as Applicant receives them.

5 21. The Requested Area is not currently within any wastewater service
6 provider's service area. However, Applicant intends to file an application with the
7 Commission to extend its wastewater CC&N to encompass the Requested Area. Due to
8 timing concerns, Applicant anticipates filing such application within the next 180 days.

9 22. The Applicant is within the Phoenix Active Management Area created by
10 the Arizona Groundwater Code. As a result, the Company is subject to certain water
11 conservation requirements imposed by the Third Management Plan and any subsequent
12 management plans adopted by the Arizona Department of Water Resource. Over and
13 above the requirements imposed by ADWR, the Company voluntarily committed to a
14 total of 10 water conservation Best Management Practices ("BMPs").

15 Some specific examples of conservation efforts by the Applicant include the
16 prominent display of conservation brochures and flyers in the customer accessible office,
17 and quarterly conservation based newsletters that are sent to all customers as a bill insert.
18 Customers who receive e-bills are provided a link which directs them to our website in
19 order to view the quarterly conservation newsletter on-line. The Applicant also pride
20 itself in getting out into the community and meeting with customers to encourage
21 conservation. Additionally, the Applicant offers and promotes free landscape audits to our
22 customers where we inspect their timers, landscaping, drop systems, etc and counsel them
23 on ways to conserve water. The requirements of the Third Management Plan, the BMPs
24 adopted by the Applicant and all other of the Applicant's conservation efforts will be
25 applied to the Requested Area. There are no golf courses or ornamental lakes planned in
26 the Requested Area.

1 23. The developer of Marbella Ranch, TRS 8, LLC has retained Southwest
2 Groundwater Consultants, Inc. to prepare and file an Analysis of Assured Water Supply
3 Application with the Arizona Department of Water Resources. The application is
4 expected to be filed within 90 days and approval of the AAWS is expected no later than
5 the 1st quarter of 2015.

6 24. A Public Water System Compliance Report issued by the Maricopa County
7 Environmental Services Department as designee for ADEQ is attached hereto as **Exhibit**
8 **14.**

9 25. Applicant's Water Use Data Sheet for the period ending is attached hereto
10 as **Exhibit 15.**

11 26. A notarized signature on behalf of Applicant is attached hereto as **Exhibit**
12 **16.**

13 27. For the reasons stated herein, Applicant maintains that this Application is in
14 the public interest and should be granted. There is a need for regulated water utility
15 service in Maricopa County to ensure the public health, and foster orderly growth.

16 WHEREFORE, Applicant respectfully requests the following:

17 A. That the Commission proceeds to consider and act upon this Application as
18 timely as possible and to schedule a hearing, if necessary, on this matter;


19 B. That upon completion of said hearing that the Commission enter an Order
20 approving the Application to include the Requested Area as shown in **Exhibit 11;**

21 C. That the Commission grant such other and further relief as may be
22 appropriate under the circumstances herein.

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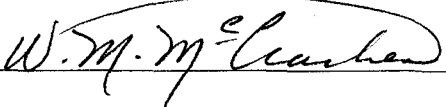
RESPECTFULLY SUBMITTED this 17th day of April, 2014.

FENNEMORE CRAIG, P.C.

By: 
Patrick J. Black
Attorneys for Liberty Utilities (Litchfield
Park Water and Sewer) Corp.

ORIGINAL and 15 copies filed
this 17th day of April, 2014 with:

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

By: 
9040510.1/035227.0035

List of Exhibits

1. The proper name, address and corporate structure for Applicant
2. Applicant's Certificate of Good Standing from the Arizona Corporation Commission
3. A full list of names, titles and mailing addresses for Applicant's officers and directors
4. Legal description of the Requested Area.
5. Master Water Report for Marbella Ranch containing description of the facilities proposed to be constructed
6. Estimated total construction costs and plant cost projections
7. Applicant's General Statement of Financial Condition
8. Applicant's Tariff – Schedule of Rates and Charges
9. Annual Revenue and Expenses – First Five Years
10. Written Request for Service
11. Maps of Existing CC&N and Requested Area
12. Notice to be Sent to Municipalities within 5 mile of Requested Area
13. Estimated Number of Customers – First Five Years
14. Public Water System Compliance Report
15. Applicant's Water Use Data Sheet
16. Notarized Signature of Steve Carlson on Behalf of Applicant

1 APPLICATION OF
2 LIBERTY UTILITIES (LITCHFIELD PARK WATER AND SEWER) CORP.
3 FOR AN EXTENSION OF AN CERTIFICATE OF CONVENIENCE
4 AND NECESSITY TO PROVIDE WATER UTILITY SERVICE
5 IN MARICOPA COUNTY, ARIZONA

6 **Exhibit 1**

7 **Applicant's Proper Name:** Liberty Utilities (Litchfield Park Water & Sewer) Corp.

8 **Applicant's Address:** 12725 W. Indian School Road, Suite D-101

9 **Applicant's Corporate Structure:** For-profit public service Chapter "C" Corporation

10 500,000 Shares authorized

11 7,820 shares issued on February 24, 2003 (in the name of Liberty Water Co.)

12 **Officers and Directors and mailing addresses:**

13 **OFFICERS**

14 Ian Robertson, Chief Executive Officer
15 2845 Bristol Circle
16 Oakville, ON L6H 7H7

17 David Bronicheski, Treasurer and Secretary
18 2845 Bristol Circle
19 Oakville, ON L6H 7H7

20 **DIRECTORS**

21 Gregory S. Sorensen, President – Arizona
22 12725 W. Indian School Road, Suite D-101
23 Avondale, AZ 85392

24 Ian Robertson, President
25 2845 Bristol Circle
26 Oakville, ON L6H 7H7

1 APPLICATION OF
2 LIBERTY UTILITIES (LITCHFIELD PARK WATER AND SEWER) CORP.
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6 **Exhibit 2**

7 **(Certificate of Good Standing)**

STATE OF ARIZONA



Office of the CORPORATION COMMISSION

CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting:

I, Jodi A. Jerich, Executive Director of the Arizona Corporation Commission, do hereby certify that

*****LIBERTY UTILITIES (LITCHFIELD PARK WATER & SEWER) CORP.*****

a domestic corporation organized under the laws of the State of Arizona, did incorporate on September 21, 1954.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said corporation is not administratively dissolved for failure to comply with the provisions of the Arizona Business Corporation Act; and that its most recent Annual Report, subject to the provisions of A.R.S. sections 10-122, 10-123, 10-125 & 10-1622, has been delivered to the Arizona Corporation Commission for filing; and that the said corporation has not filed Articles of Dissolution as of the date of this certificate.

This certificate relates only to the legal existence of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 4th Day of April, 2014, A. D.




Jodi A. Jerich, Executive Director

By: 1045347

1 APPLICATION OF
2 LIBERTY UTILITIES (LITCHFIELD PARK WATER AND SEWER) CORP.
3 FOR AN EXTENSION OF EXISTING CERTIFICATE OF CONVENIENCE
4 AND NECESSITY TO PROVIDE WATER UTILITY SERVICE
5 IN MARICOPA COUNTY, ARIZONA

6 **Exhibit 3**

7 **(List of Officers and Directors)**

8 **OFFICERS**

9 Ian Robertson, Chief Executive Officer
10 2845 Bristol Circle
11 Oakville, ON L6H 7H7

12 David Bronicheski, Treasurer and Secretary
13 2845 Bristol Circle
14 Oakville, ON L6H 7H7

15 **DIRECTORS**

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19 Ian Robertson, President
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3 FOR AN EXTENSION OF EXISTING CERTIFICATE OF CONVENIENCE
4 AND NECESSITY TO PROVIDE WATER UTILITY SERVICE
5 IN MARICOPA COUNTY, ARIZONA

6 Exhibit 4

7
8 (Legal Description of Requested Area)
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Exhibit 4

**Legal Description
Liberty Utilities (Litchfield Park Water & Sewer) Corp.
Water CC&N Extension**

That portion of Section 2, Township 2 North, Range 1 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona more particularly described as follows:

The Northeast Quarter of said Section 2;

EXCEPT the south 20.00 feet of said Northeast Quarter;

The East ½ of the Northwest Quarter of said Section 2;

EXCEPT the south 20.00 feet of said Northwest Quarter, and;

the west 400.44 feet of the south 1,724.91 feet of said Northwest Quarter;

The Southeast Quarter of said Section 2;

EXCEPT the north 140.00 feet of said Southeast Quarter.

1 APPLICATION OF
2 LIBERTY UTILITIES (LITCHFIELD PARK WATER AND SEWER) CORP.
3 FOR AN EXTENSION OF EXISTING CERTIFICATE OF CONVENIENCE
4 AND NECESSITY TO PROVIDE WATER UTILITY SERVICE
5 IN MARICOPA COUNTY, ARIZONA

6 **Exhibit 5**

7 **(Master Water Report)**
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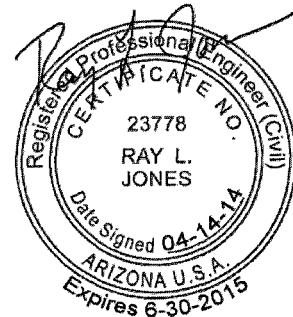
PRELIMINARY ENGINEERING REPORT WATER MASTER PLAN

**Marbella Ranch
Section 2, T2N, R1E
Maricopa County, Arizona**

April 14, 2014

Prepared for:
TRS 8, LLC
18835 North Thompson Peak Parkway, Suite 215
Scottsdale, AZ 85255

Prepared By:
ARICOR Water Solutions LC
25213 N. 49th Drive
Phoenix, AZ 85083
(623) 341-4771 FAX (623) 582-5160



ARICOR
Water Solutions

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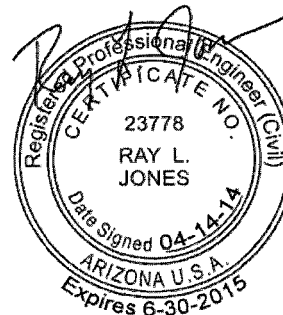
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Appendix 1 – Estimate of Construction Cost



1. Executive Summary

Marbella Ranch is an approximately 365 acre property that will be provided water service by Liberty Utilities (Litchfield Park Water & Sewer) Corp. ("Liberty"). Liberty will file an application with the Arizona Corporation Commission to extend its Certificate of Convenience and Necessity ("CC&N") to include the Marbella Ranch project.

Marbella Ranch is an approximately 365 acre property under contract to TRS 8, LLC who will develop the Marbella Ranch project. Marbella Ranch will be developed in phases. Phase 1 of Marbella Ranch is located in the southern portion of the property and is planned for 600 single family homes. Phase 2 of Marbella Ranch is located in the northern portion of the property and is planned for 660 dwelling units and includes a 50.5 acre industrial parcel. The maximum number of dwelling units on the Property will not exceed 1,260 units.

Design criteria are in accordance with the requirements of Liberty as presented in Liberty's Development Guide for Maricopa County Properties dated October 22, 2009. Based on the design criteria, the facilities requirements are summarized as follows:

- Required Well Capacity – 1,030 gpm
- Required Storage Capacity – 593,370 gallons (operational) & 540,000 gallons (fire)
- Pumping Capacity – 1,030 gpm plus 3,000 gpm fire = 4,030 gpm

Liberty has verified that the wells, storage and booster pumping capacity at the Airline Reservoir site can meet the facilities requirements for Marbella Ranch and that the Airline Reservoir site will be the primary supply for Marbella Ranch. However, Liberty has indicated that it is planning to create a new pressure zone in the northern portion of its service area ("zone 2") and would like to expand its well field to supplement supply and pumping capability in the new pressure zone.

Liberty's existing distribution system will be extended approximately $\frac{3}{4}$ of a mile along El Mirage Rd. to the Marbella Ranch site. The on-site facilities will include a primary network of 12" diameter water lines supplemented by a secondary network of 8" diameter water lines. The remaining on-site water lines will be minimum 6" diameter lines. As requested by Liberty, TRS 8, LLC will provide two well sites for the development of two new groundwater wells on the Marbella Ranch site. The wells will be developed to provide a combined capacity of not less than 1,030 gpm, the projected maximum day for the project.

The proposed system meets the master planning criteria as established by Liberty. The system is able to adequately provide Peak Day, Peak Hour and Peak Day plus Fire Flow Demands. Flow and pressures throughout the system during all design conditions meet minimum pressure requirements.

southeastern corner. This historic drainage has been cut-off by the Dysart Drain, which runs easterly through the center of the project. Accordingly, the northern portion of the property drains from both the east and west towards the historic drainage and then south into the Dysart Drain. The southern portion of the property drains along the historic drainage to the southeastern corner of the property.

2.4 Proposed Development

Marbella Ranch is an approximately 365 acre property currently owned by El Paso Natural Gas, LLC ("El Paso"). The Property is under contract to TRS 8, LLC who will develop the Marbella Ranch project. The Property is currently zoned Rural-43 by Maricopa County.

On March 3, 2014 TRS 8, LLC filed with Maricopa County Case CPA2014002 – Comprehensive Plan Amendment and Case Z2014011 – Rezoning Request. The requested plan amendment and rezoning request is for a Multiple-Family Residential (R-5) Residential Unit Plan of Development ("RUPD") zoning district on the property outside of the AICUZ line for single family detached and attached residential subdivisions with a variety of lot widths, as well as the potential for multi-family residential (apartment units). The maximum number of dwelling units on the Property will not exceed 1,260 units. The portion of the property within the AICUZ lines is planned for open space or industrial uses. Luke supports the Rezoning Application and Comprehensive Plan Amendment.

Marbella Ranch will be developed in phases. Phase 1 of Marbella Ranch is located in the southern portion of the property and is planned for 600 single family homes. Construction of the first phase of the development is scheduled to begin in 2016 and is expected to take approximately five years to build-out.

Phase 2 of Marbella Ranch is located in the northern portion of the property and is planned for 660 dwelling units and includes a 50.5 acre industrial parcel. The current plan is for 300 single family homes and 360 apartment units in the residential portion of Phase 2. However, the R-5, RUPD zoning provides flexibility in regard to what type of residential units are constructed. Accordingly, this report will consider all units in Phase 2 to be single family homes so that projected demand is not understated.

Construction of Phase 2 of the development is expected to begin about two years after the start of Phase 1 and is expected to take approximately five years to build-out. Overall project build-out is expected to take approximately seven years with home sales estimated at 200 units per year.

Figure 2.2 is a development map for Marbella Ranch.

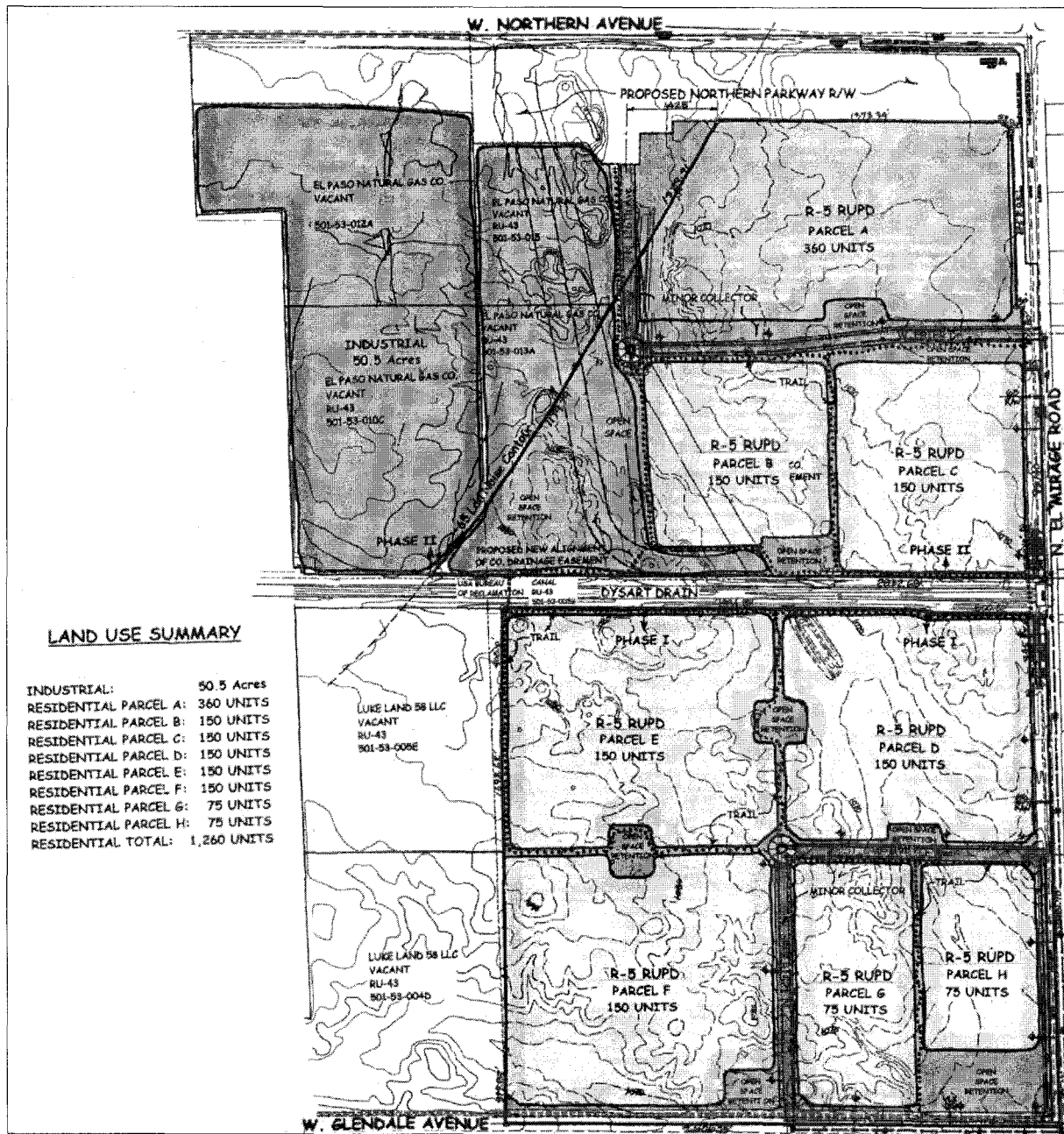


Figure 2.2 – Marbella Ranch Development Map

3. Design Criteria

All design criteria are in accordance with the requirements of Liberty as presented in Liberty's *Development Guide for Maricopa County Properties* dated October 22, 2009.

Liberty specifies the demand criteria as shown in Table 3.1.

Table 3.1 – Liberty Demand Criteria

Land Use	Ave. Day Demand (gpcd)	Capita/DU	Max Day Peaking Factor	Peak Hour Peaking Factor
Single Family	150	3.2	1.8	3.0
Multi Family	110	2.0	1.8	3.0
Commercial	1,700 gpd/acre	n/a	1.8	3.0
Developed Open Space	1,800 gpd/acre	n/a	n/a	n/a

Liberty establishes the additional water system criteria presented in Table 3.2.

Table 3.2 – Additional Water System Criteria

Category	Criteria
Minimum Pressures	55 psi static 40 psi @ peak hour 20 psi @ max day + fire
Maximum Pressures	90 psi static unless individual pressure reducing valve installed on customer side of meter and approved by Liberty
Velocity and Headloss	8 fps maximum velocity (distribution system) 2 fps min. and 6 fps max (well transmission)
Fire Flows	Residential ≤3,600 sq. ft – 1,500 gpm for 2 hours Residential >3,600 sq. ft – Per 1997 UFC Commercial – 3,000 gpm for 3 hours
Storage Requirements	Equalization – 30% of Maximum Day Emergency Reserve – 10% of Maximum Day
Booster Pumping	Firm Capacity – Greater of Max day + fire or peak hour demand
Well Capacity	Firm Capacity – Equal to Maximum day demand

The water distribution system design for Marbella Ranch was based on the design criteria as provided by Liberty. However, since Liberty does not specify a demand for industrial uses, after consultation with Liberty, a demand of 850 gpd/acre was selected as appropriate for the planned industrial uses in Marbella Ranch. Table 3.3 summarizes the water master planning factors utilized for Marbella Ranch.

Table 3.3 - Summary Water Master Planning Factors

Population and Demand Factors						Peaking Factors				
Land Use	Pop Density (capita/DU)	Demand (per day)			Fire Requirement	1.8 = Peak Day Factor		Peak Day = Peak Day Factor * Avg Day		
		Gallons Per Capita	Gallons Per	Unit		3.0 = Peak Hour Factor		Peak Hour = Peak Hour Factor * Avg Day		
SF	3.2	150	-	Dwelling Unit	Residential	Storage Factors				
MF	2.0	110	-	Dwelling Unit	Residential					
COMM		-	1,700	Acre	Commercial	40% = Equalization + Emergency Factor				
IND		-	850	Acre	Commercial	Operational = Equalization Factor * Peak Day				
OS		-	1,800	Acre	n/a	Fire = Fire Flow * Duration				
						Fire Flows				
						Requirement	Flow		Duration	
						Commercial	3,000	gpm	3	hours
						Residential	1,500	gpm	2	hours
						N/A	0	gpm	0	hours

4. Demands

Using the established criteria, the four following demand scenarios are considered.

- Average Day Demand – This demand condition represents the annual average daily use.
- Maximum Day Demand – This demand condition represents the peak water use day for an average year.
- Maximum Day with Fire Flow – This demand condition represents a simultaneous fire flow and peak day demand flow.
- Peak Hour demand – This demand condition represents the peak water use hour on the Peak Day of an average year.

Table 4.1 presents the land use and demand factors and Table 4.2 presents the resulting demands and facilities requirements.

Table 4.1 - Land Use and Demand Factors

Parcel	Land Use	Acres	Residential Dwelling Units	Other Demand Units	Pop Density (capita/DU)	Population	Demand Per Capita	Demand Per Other
Phase 1								
D	SF	32.0	150		3.2	480	150	-
E	SF	34.5	150		3.2	480	150	-
F	SF	34.0	150		3.2	480	150	-
G	SF	17.0	75		3.2	240	150	-
H	SF	12.0	75		3.2	240	150	-
Open Space	OS	12.0	-		0.0	-	-	1,800
ROW	OS	5.0	-		0.0	-	-	1,800
		146.5	600			1,920		
Phase 2								
A	SF	45.0	360		3.2	1,152	150	-
B	SF	22.0	150		3.2	480	150	-
C	SF	20.0	150		3.2	480	150	-
Industrial	IND	50.5	-		0.0	-	-	850
Open Space	OS	75.0	-		0.0	-	-	1,800
ROW	OS	6.0	-		0.0	-	-	1,800
		218.5	660			2,112		
		365.0	1,260			4,032		

Table 4.2 - Estimated Demand and Facilities Requirements

Parcel	Demands			Demands				Storage	
	Avg Day	Peak Day	Peak Hour	Avg Day	Peak Day	Fire	Peak Hour	Operational	Fire
	(gpd)			(gpm)				(gallons)	
Phase 1									
D	72,000	129,600	216,000	50.0	90.0	1,500	150.0	51,840	180,000
E	72,000	129,600	216,000	50.0	90.0	1,500	150.0	51,840	180,000
F	72,000	129,600	216,000	50.0	90.0	1,500	150.0	51,840	180,000
G	36,000	64,800	108,000	25.0	45.0	1,500	75.0	25,920	180,000
H	36,000	64,800	108,000	25.0	45.0	1,500	75.0	25,920	180,000
Open Space	21,600	38,880	64,800	15.0	27.0	-	45.0	15,552	-
ROW	9,000	16,200	27,000	6.3	11.3	-	18.8	6,480	-
Phase 2									
A	172,800	311,040	518,400	120.0	216.0	1,500	360.0	124,416	180,000
B	72,000	129,600	216,000	50.0	90.0	1,500	150.0	51,840	180,000
C	72,000	129,600	216,000	50.0	90.0	1,500	150.0	51,840	180,000
Industrial	42,925	77,265	128,775	29.8	53.7	3,000	89.4	30,906	540,000
Open Space	135,000	243,000	405,000	93.8	168.8	-	281.3	97,200	-
ROW	10,800	19,440	32,400	7.5	13.5	-	22.5	7,776	-
	824,125	1,483,425	2,472,375	572	1,030	3,000	1,717	593,370	540,000
				Peak Day + Fire:		4,030		Total Storage:	1,133,370

Based on table 4.2, the facilities requirements are summarized as follows:

- Required Well Capacity – 1,030 gpm
- Required Storage Capacity – 593,370 gallons (operational) & 540,000 gallons (fire)
- Pumping Capacity – 1,030 gpm plus 3,000 gpm fire = 4,030 gpm

5. Existing Facilities/Conditions

Liberty's existing service area consists of approximately 21 square miles located southwest of Marbella Ranch and north of Interstate Highway 10. Liberty provides water service to communities within the City of Litchfield Park, City of Goodyear, City of Avondale, and some unincorporated areas of Maricopa County.

Liberty's water system consists of 12 wells, three arsenic treatment facilities, two storage tanks, three booster systems and a distribution system serving over 17,000 customers. The wells have a combined capacity in excess of 13,000 gpm. A total of 10.6 million gallons of storage and nearly 30,000 gpm of booster capacity is provided from two large water plant sites within the existing water system. The system is currently operated as a single pressure zone with at a hydraulic grade line of 1,187 feet.

The Airline Reservoir site is located approximately $\frac{3}{4}$ of a mile south of Marbella Ranch and will be the primary source of water for Marbella Ranch. The Airline site contains 4.3 million gallons of storage, 16,000 gpm of pumping capacity and is fed by five wells with combined capacity of 6,945 gpm.

Liberty has verified that the wells, storage and booster pumping capacity at the Airline Reservoir site can meet the facilities requirements for Marbella Ranch. However, Liberty has indicated that it is planning to create a new pressure zone in the northern portion of its service area ("Zone 2") and would like to expand its well field to supplement supply and pumping capability in the new pressure zone. Zone 2 will operate at a hydraulic grade line of 1,222 feet.

6. Proposed Facilities

The Airline Reservoir site will be the primary supply for Marbella Ranch. Marbella Ranch will be fed from the planned Zone 2 pressure zone at a hydraulic grade line of 1,222 feet.

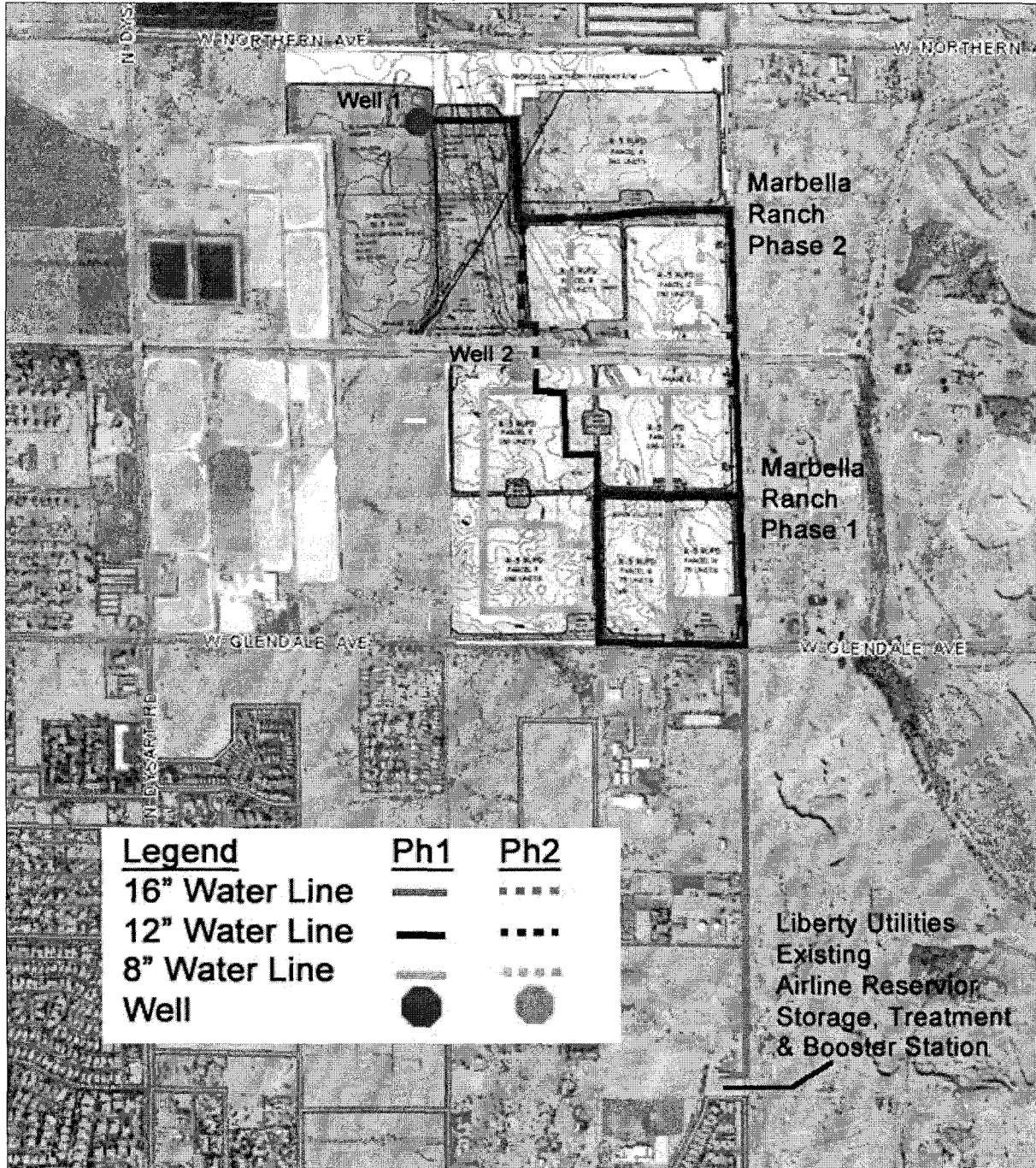
Liberty's existing distribution system will be extended approximately $\frac{3}{4}$ of a mile along El Mirage Rd. to the Marbella Ranch project. The on-site facilities will include a primary network of 12" diameter water lines supplemented by a secondary network of 8" diameter water lines. The remaining on-site water lines will be minimum 6" diameter lines.

As requested by Liberty, TRS 8, LLC will provide two well sites for the development of two new groundwater wells on the Marbella Ranch site. Well No. 1 will be developed in Phase 1 with well No. 2 being developed with Phase 2. The wells will be developed to provide a combined capacity of not less than 1,030 gpm, the projected maximum day for the project.

Figure 6.1 provides a map of the planned improvements and an engineer's estimate of cost for the facilities is provided in appendix 1.

The hydraulic grade line of 1,222 feet will provide a static pressure of 58 psi at the high point in the development and 70 psi at the low point in the development. Preliminary modeling of fire flows in the planned industrial parcel shows expected head loss of 27.5 psi at a 3,000 gpm fire flow. Using the high elevation of 1,085 feet in the industrial parcel, the predicted fire flow pressure is 31.8 psi. Accordingly, the proposed distribution system will meet Liberty's criteria for system pressure under all flow conditions.

Figure 6.1 – Planned Water Facilities Map



7. Summary/Conclusions

Based on the analysis presented in this report, the existing Liberty water distribution system can be extended to provide service to Marbella Ranch. The proposed system meets the water master planning criteria as established by Liberty. Storage pumping requirements will be met from the existing Airline Reservoir site with supplemental supply and pumping provided by two new wells on the Marbella Ranch project site. The system is able to adequately provide Peak Day, Peak Hour and Peak Day plus Fire Flow Demands. Flow and pressures throughout the system during all design conditions meet minimum pressure requirements.

APPENDIX 1

**Liberty Utilities (Litchfield Park Water & Sewer) Corp.
Marbella Ranch - Water Facilities
Estimate of Construction Cost**

4/14/2014
Prepared by ARICOR Water Solutions

Item Description	Quantity	Units	Unit Price	Amount	NARUC	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Phase 1											
Off-Site El Mirage Water Line (South of Glendale)											
16" DIP	4,060	lf	\$ 90.00	\$ 365,400	331	\$ 365,400					
16" Gate Valve B&C	9	ea	4,000.00	36,000	331	36,000					
Air Relief Valve in Vault w/bollards, valves etc.(ARV-complete)	2	ea	4,500.00	9,000	331	9,000					
Allowance for Special Construction	1	lot	50,000.00	50,000	331	50,000					
Pavement Replacement	500	sy	30.00	15,000	331	15,000					
Connection within Airline Reservoir Site	1	lot	25,000.00	25,000	331	25,000					
Engineering & Permits	1	lot	12%	57,000	331	57,000					
Contingency	1	lot	5%	24,000	331	24,000					
Total				\$ 581,400		\$ 581,400					
Off-Site Water Line - From El Mirage and Glendale to Well No. 1											
12" DIP (in El Mirage Rd.)	4,000	lf	\$ 65.00	\$ 260,000	331	\$ 260,000					
Dysart Drain Crossing (Cased Overshoot)	150	lf	200.00	30,000	331	30,000					
12" DIP (within Project Site)	3,625	lf	45.00	163,125	331	163,125					
12" Gate Valve B&C	15	ea	3,500.00	52,500	331	52,500					
Fire Hydrant Complete (on El Mirage)	6	ea	5,500.00	33,000	335	33,000					
Air Relief Valve in Vault w/bollards, valves etc.(ARV-complete)	2	ea	4,500.00	9,000	331	9,000					
Pavement Replacement	90	sy	30.00	2,700	331	2,700					
Engineering & Permits	1	lot	12%	66,039	331	66,039					
Contingency	1	lot	5%	27,516	331	27,516					
Total				\$ 643,880		\$ 643,880					
Well Site No. 1											
Well Drilling Complete	1	lot		\$ 667,000	307	\$ 667,000					
Well Slab	1	ea		5,000	307	5,000					
Extend Power to Site	1	lot		30,000	304	30,000					
Site Work	1	lot		25,000	304	25,000					
Well Pump	1	ea		120,000	311	120,000					
Piping & Valves	1	lot		80,000	311	80,000					
Hydrotank	1	ea		40,000	311	40,000					
Electrical	1	lot		40,000	311	40,000					
Genset	1	ea		70,000	310	70,000					
Engineering & Permits	1	lot	15%	61,500	311	61,500					
Contingency	1	lot	5%	53,850	311	53,850					
Total				\$ 1,192,350		\$ 1,192,350					
TOTAL OFF-SITE				\$ 2,417,630							
On-Site Water Backbone Water Lines											
12" DIP (in Glendale Ave.)	1,320	lf	\$ 65.00	\$ 85,800	331	\$ 42,900	\$ 42,900				
12" DIP (within Project Site)	4,620	lf	45.00	207,900	331	103,950	103,950				
12" Gate Valve B&C	12	ea	3,500.00	42,000	331	21,000	21,000				
Fire Hydrant Complete	8	ea	4,000.00	32,000	335	16,000	16,000				
Pavement Replacement	45	sy	30.00	1,350	331	675	675				
Engineering & Permits	1	lot	12%	44,286	331	22,143	22,143				
Contingency	1	lot	5%	18,453	331	9,226	9,227				
Total				\$ 431,789		\$ 215,894	\$ 215,895				
On-Site Water System (within subdivisions)											
8" DIP	10,560	lf	\$ 32.00	\$ 337,920	331	\$ 84,480	\$ 84,480	\$ 84,480	\$ 84,480		
6" DIP	16,440	lf	23.00	378,120	331	94,530	94,530	94,530	94,530		
8" Gate Valve B&C	21	ea	2,300.00	48,300	331	12,075	12,075	12,075	12,075		
6" Gate Valve B&C	32	ea	1,800.00	57,600	331	14,400	14,400	14,400	14,400		
Fire Hydrant Complete	60	ea	3,500.00	210,000	335	52,500	52,500	52,500	52,500		
Service Line	600	ea	550.00	330,000	333	82,500	82,500	82,500	82,500		
Meter	600	ea	200.00	120,000	334	30,000	30,000	30,000	30,000		
Engineering & Permits	1	lot	12%	177,833	331	44,458	44,458	44,458	44,459		
Contingency	1	lot	5%	74,097	331	18,524	18,524	18,524	18,525		
Total				\$ 1,733,870		\$ 433,467	\$ 433,467	\$ 433,467	\$ 433,469		

**Liberty Utilities (Litchfield Park Water & Sewer) Corp.
Marbella Ranch - Water Facilities
Estimate of Construction Cost**

4/14/2014
Prepared by ARICOR Water Solutions

Estimate of Construction Cost					Detail Plant Plant Account By Year						
Item Description	Quantity	Units	Unit Price	Amount	NARUC	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Phase II											
Well Site No. 2											
Well Drilling Complete	1	lot		\$ 667,000	307				\$ 667,000		
Well Slab	1	ea		5,000	307				5,000		
Extend Power to Site	1	lot		10,000	304				10,000		
Site Work	1	lot		15,000	304				15,000		
Well Pump	1	ea		120,000	311				120,000		
Piping & Valves	1	lot		80,000	311				80,000		
Hydrotank	1	ea		40,000	311				40,000		
Electrical	1	lot		40,000	311				40,000		
Genset	1	ea	15%	70,000	310				70,000		
Engineering & Permits	1	lot	5%	57,000	311				57,000		
Contingency	1	lot		52,350	311				52,350		
Total				\$ 1,156,350					\$ 1,156,350		
TOTAL OFF-SITE											
On-Site Water Backbone Water Lines											
12" DIP	1,500	lf	\$ 45.00	\$ 67,500	331			\$ 67,500			
Dysart Drain Crossing (Cased Overshoot)	150	lf	200.00	30,000	331			30,000			
12" Gate Valve B&C	4	ea	3,500.00	14,000	331			14,000			
Fire Hydrant Complete	6	ea	4,000.00	24,000	335			24,000			
Air Relief Valve in Vault w/bollards, valves etc.(ARV-complete)	2	ea	4,500.00	9,000	331			9,000			
Engineering & Permits	1	lot	12%	17,340	331			17,340			
Contingency	1	lot	5%	7,225	331			7,225			
Total				\$ 169,065				\$ 169,065			
On-Site Water System (within subdivisions)											
8" DIP	7,920	lf	\$ 32.00	\$ 253,440	331			\$ 63,360	\$ 63,360	\$ 63,360	\$ 63,360
6" DIP	21,780	lf	23.00	500,940	331			125,235	125,235	125,235	125,235
8" Gate Valve B&C	16	ea	2,300.00	36,800	331			9,200	9,200	9,200	9,200
6" Gate Valve B&C	43	ea	1,800.00	77,400	331			19,350	19,350	19,350	19,350
Fire Hydrant Complete	66	ea	3,500.00	231,000	335			57,750	57,750	57,750	57,750
Service Line	660	ea	550.00	363,000	333			90,750	90,750	90,750	90,750
Meter	660	ea	200.00	132,000	334			33,000	33,000	33,000	33,000
Engineering & Permits	1	lot	12%	191,350	331			47,837	47,837	47,837	47,837
Contingency	1	lot	5%	79,729	331			19,932	19,932	19,932	19,932
Total				\$ 1,865,659				\$ 466,414	\$ 466,414	\$ 466,414	\$ 466,417
TOTAL ON-SITE											
				\$ 2,034,724							
TOTAL PHASE 2											
				\$ 3,191,074							

1 APPLICATION OF
2 LIBERTY UTILITIES (LITCHFIELD PARK WATER AND SEWER) CORP.
3 FOR AN EXTENSION OF EXISTING CERTIFICATE OF CONVENIENCE
4 AND NECESSITY TO PROVIDE WATER UTILITY SERVICE
5 IN MARICOPA COUNTY, ARIZONA

6 Exhibit 6

7
8 (Estimated Total Construction Costs and
9 Plant Cost Projections)
10
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Liberty Utilities (Litchfield Park Water & Sewer) Corp.
Marbella Ranch - Water Facilities
Estimate of Construction Cost

Exhibit 6

4/14/2014

Prepared by ARICOR Water Solutions

Item Description

Quantity Units Unit Price Amount

Phase 1

Off-Site El Mirage Water Line (South of Glendale)

16" DIP	4,060	If	\$ 90.00	\$ 365,400
16" Gate Valve B&C	9	ea	4,000.00	36,000
Air Relief Valve in Vault w/bollards, valves etc,(ARV-complete)	2	ea	4,500.00	9,000
Allowance for Special Construction	1	lot	50,000.00	50,000
Pavement Replacement	500	sy	30.00	15,000
Connection within Airline Reservoir Site	1	lot	25,000.00	25,000
Engineering & Permits	1	lot	12%	57,000
Contingency	1	lot	5%	24,000
Total				\$ 581,400

Off-Site Water Line - From El Mirage and Glendale to Well No. 1

12" DIP (in El Mirage Rd.)	4,000	If	\$ 65.00	\$ 260,000
Dysart Drain Crossing (Cased Overshoot)	150	If	200.00	30,000
12" DIP (within Project Site)	3,625	If	45.00	163,125
12" Gate Valve B&C	15	ea	3,500.00	52,500
Fire Hydrant Complete (on El Mirage)	6	ea	5,500.00	33,000
Air Relief Valve in Vault w/bollards, valves etc,(ARV-complete)	2	ea	4,500.00	9,000
Pavement Replacement	90	sy	30.00	2,700
Engineering & Permits	1	lot	12%	66,039
Contingency	1	lot	5%	27,516
Total				\$ 643,880

Well Site No. 1

Well Drilling Complete	1	lot		\$ 667,000
Well Slab	1	ea		5,000
Extend Power to Site	1	lot		30,000
Site Work	1	lot		25,000
Well Pump	1	ea		120,000
Piping & Valves	1	lot		80,000
Hydrotank	1	ea		40,000
Electrical	1	lot		40,000
Genset	1	ea		70,000
Engineering & Permits	1	lot	15%	61,500
Contingency	1	lot	5%	53,850
Total				\$ 1,192,350

TOTAL OFF-SITE

\$ 2,417,630

On-Site Water Backbone Water Lines

12" DIP (in Glendale Ave.)	1,320	If	\$ 65.00	\$ 85,800
12" DIP (within Project Site)	4,620	If	45.00	207,900
12" Gate Valve B&C	12	ea	3,500.00	42,000
Fire Hydrant Complete	8	ea	4,000.00	32,000
Pavement Replacement	45	sy	30.00	1,350
Engineering & Permits	1	lot	12%	44,286
Contingency	1	lot	5%	18,453
Total				\$ 431,789

On-Site Water System (within subdivisions)

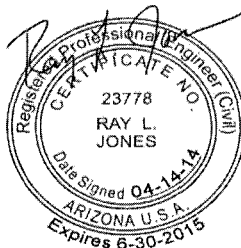
8" DIP	10,560	If	\$ 32.00	\$ 337,920
6" DIP	16,440	If	23.00	378,120
8" Gate Valve B&C	21	ea	2,300.00	48,300
6" Gate Valve B&C	32	ea	1,800.00	57,600
Fire Hydrant Complete	60	ea	3,500.00	210,000
Service Line	600	ea	550.00	330,000
Meter	600	ea	200.00	120,000
Engineering & Permits	1	lot	12%	177,833
Contingency	1	lot	5%	74,097
Total				\$ 1,733,870

TOTAL ON-SITE

\$ 2,165,658

TOTAL PHASE 1

\$ 4,583,289



**Liberty Utilities (Litchfield Park Water & Sewer) Corp.
Marbella Ranch - Water Facilities
Estimate of Construction Cost**

Exhibit 6

4/14/2014

Prepared by ARICOR Water Solutions

Item Description

Quantity Units Unit Price Amount

Phase II

Well Site No. 2

Well Drilling Complete	1	lot		\$ 667,000
Well Slab	1	ea		5,000
Extend Power to Site	1	lot		10,000
Site Work	1	lot		15,000
Well Pump	1	ea		120,000
Piping & Valves	1	lot		80,000
Hydrotank	1	ea		40,000
Electrical	1	lot		40,000
Genset	1	ea		70,000
Engineering & Permits	1	lot	15%	57,000
Contingency	1	lot	5%	52,350
Total				\$ 1,156,350

TOTAL OFF-SITE

\$ 1,156,350

On-Site Water Backbone Water Lines

12" DIP	1,500	lf	\$ 45.00	\$ 67,500
Dysart Drain Crossing (Cased Overshoot)	150	lf	200.00	30,000
12" Gate Valve B&C	4	ea	3,500.00	14,000
Fire Hydrant Complete	6	ea	4,000.00	24,000
Air Relief Valve in Vault w/bollards, valves etc,(ARV-complete)	2	ea	4,500.00	9,000
Engineering & Permits	1	lot	12%	17,340
Contingency	1	lot	5%	7,225
Total				\$ 169,065

On-Site Water System (within subdivisions)

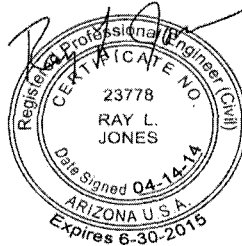
8" DIP	7,920	lf	\$ 32.00	\$ 253,440
6" DIP	21,780	lf	23.00	500,940
8" Gate Valve B&C	16	ea	2,300.00	36,800
6" Gate Valve B&C	43	ea	1,800.00	77,400
Fire Hydrant Complete	66	ea	3,500.00	231,000
Service Line	660	ea	550.00	363,000
Meter	660	ea	200.00	132,000
Engineering & Permits	1	lot	12%	191,350
Contingency	1	lot	5%	79,729
Total				\$ 1,865,659

TOTAL ON-SITE

\$ 2,034,724

TOTAL PHASE 2

\$ 3,191,074



Liberty Utilities (Litchfield Park Water & Sewer) Corp.
Marbella Ranch Project
Plant Value

Exhibit 6

Page 3

		Year 1						
Line No.	NARUC Account No.	Description	Allowed Deprec. Rate	Plant Additions	Depreciation	Plant Balance	A/D Balance	Net Plant
1	301	Organization Cost	0.00%	-	-	-	-	-
2	302	Franchise Cost	0.00%	-	-	-	-	-
3	303	Land and Land Rights	0.00%	-	-	-	-	-
4	304	Structures & Improvements	3.33%	55,000	916	55,000	916	54,084
5	305	Collecting & Impounding Reservoirs	2.50%	-	-	-	-	-
6	306	Lake, River, Canal Intakes	2.50%	-	-	-	-	-
7	307	Wells & Springs	3.33%	672,000	11,189	672,000	11,189	660,811
8	308	Infiltration Galleries	6.67%	-	-	-	-	-
9	309	Raw Water Supply Mains	2.00%	-	-	-	-	-
10	310	Power Generation Equipment	5.00%	70,000	1,750	70,000	1,750	68,250
11	311	Pumping Equipment	12.50%	395,350	24,709	395,350	24,709	370,641
12	320	Water Treatment Equipment	3.33%	-	-	-	-	-
13	320	Water Treatment Plants	3.33%	-	-	-	-	-
14	320	Solution Chemical Feeders	20.00%	-	-	-	-	-
15	330	Distribution Reservoirs & Standpipes	2.22%	-	-	-	-	-
16	330.1	Storage Tanks	2.22%	-	-	-	-	-
17	330.2	Pressure Tanks	5.00%	-	-	-	-	-
18	331	Transmission & Distribution Mains	2.00%	1,660,641	16,606	1,660,641	16,606	1,644,035
19	333	Services	3.33%	82,500	1,374	82,500	1,374	81,126
20	334	Meters	8.33%	30,000	1,250	30,000	1,250	28,751
21	335	Hydrants	2.00%	101,500	1,015	101,500	1,015	100,485
22	336	Backflow Prevention Devices	6.67%	-	-	-	-	-
23	339	Other Plant & Misc Equipment	6.67%	-	-	-	-	-
24	340	Office Furniture & Equipment	6.67%	-	-	-	-	-
25	340.1	Computers & Software	20.00%	-	-	-	-	-
26	341	Transportation Equipment	20.00%	-	-	-	-	-
27	342	Stores Equipment	4.00%	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	5.00%	-	-	-	-	-
29	344	Laboratory Equipment	10.00%	-	-	-	-	-
30	345	Power Operated Equipment	5.00%	-	-	-	-	-
31	346	Communication Equipment	10.00%	-	-	-	-	-
32	347	Miscellaneous Equipment	10.00%	-	-	-	-	-
33	348	Other Tangible Plant	20.00%	-	-	-	-	-
34								
35		TOTAL		3,066,991	58,808	3,066,991	58,808	3,008,183

Liberty Utilities (Litchfield Park Water & Sewer) Corp.
Marbella Ranch Project
Plant Value

Exhibit 6

Page 4

		Year 2					
Line	NARUC	Allowed	Plant	Depreciation	Plant	A/D	Net
No.	Account	Deprec. Rate	Additions		Balance	Balance	Plant
	No.						
1	301	0.00%	-	-	-	-	-
2	302	0.00%	-	-	-	-	-
3	303	0.00%	-	-	-	-	-
4	304	3.33%	-	1,832	55,000	2,747	52,253
5	305	2.50%	-	-	-	-	-
6	306	2.50%	-	-	-	-	-
7	307	3.33%	-	22,378	672,000	33,566	638,434
8	308	6.67%	-	-	-	-	-
9	309	2.00%	-	-	-	-	-
10	310	5.00%	-	3,500	70,000	5,250	64,750
11	311	12.50%	-	49,419	395,350	74,128	321,222
12	320	3.33%	-	-	-	-	-
13	320	3.33%	-	-	-	-	-
14	320	20.00%	-	-	-	-	-
15	330	2.22%	-	-	-	-	-
16	330.1	2.22%	-	-	-	-	-
17	330.2	5.00%	-	-	-	-	-
18	331	2.00%	468,362	37,896	2,129,003	54,503	2,074,500
19	333	3.33%	82,500	4,121	165,000	5,495	159,506
20	334	8.33%	30,000	3,749	60,000	4,998	55,002
21	335	2.00%	68,500	2,715	170,000	3,730	166,270
22	336	6.67%	-	-	-	-	-
23	339	6.67%	-	-	-	-	-
24	340	6.67%	-	-	-	-	-
25	340.1	20.00%	-	-	-	-	-
26	341	20.00%	-	-	-	-	-
27	342	4.00%	-	-	-	-	-
28	343	5.00%	-	-	-	-	-
29	344	10.00%	-	-	-	-	-
30	345	5.00%	-	-	-	-	-
31	346	10.00%	-	-	-	-	-
32	347	10.00%	-	-	-	-	-
33	348	20.00%	-	-	-	-	-
34							
35							
TOTAL			649,362	125,609	3,716,353	184,417	3,531,936

Liberty Utilities (Litchfield Park Water & Sewer) Corp.
Marbella Ranch Project
Plant Value

Exhibit 6

Page 5

		Year 3						
Line No.	NARUC Account No.	Description	Allowed Deprec. Rate	Plant Additions	Depreciation	Plant Balance	A/D Balance	Net Plant
1	301	Organization Cost	0.00%	-	-	-	-	-
2	302	Franchise Cost	0.00%	-	-	-	-	-
3	303	Land and Land Rights	0.00%	-	-	-	-	-
4	304	Structures & Improvements	3.33%	-	1,832	55,000	4,579	50,421
5	305	Collecting & Impounding Reservoirs	2.50%	-	-	-	-	-
6	306	Lake, River, Canal Intakes	2.50%	-	-	-	-	-
7	307	Wells & Springs	3.33%	-	22,378	672,000	55,944	616,056
8	308	Infiltration Galleries	6.67%	-	-	-	-	-
9	309	Raw Water Supply Mains	2.00%	-	-	-	-	-
10	310	Power Generation Equipment	5.00%	-	3,500	70,000	8,750	61,250
11	311	Pumping Equipment	12.50%	-	49,419	395,350	123,547	271,803
12	320	Water Treatment Equipment	3.33%	-	-	-	-	-
13	320	Water Treatment Plants	3.33%	-	-	-	-	-
14	320	Solution Chemical Feeders	20.00%	-	-	-	-	-
15	330	Distribution Reservoirs & Standpipes	2.22%	-	-	-	-	-
16	330.1	Storage Tanks	2.22%	-	-	-	-	-
17	330.2	Pressure Tanks	5.00%	-	-	-	-	-
18	331	Transmission & Distribution Mains	2.00%	698,446	49,565	2,827,449	104,067	2,723,381
19	333	Services	3.33%	173,250	8,379	338,250	13,874	324,376
20	334	Meters	8.33%	63,000	7,622	123,000	12,620	110,380
21	335	Hydrants	2.00%	134,250	4,743	304,250	8,473	295,778
22	336	Backflow Prevention Devices	6.67%	-	-	-	-	-
23	339	Other Plant & Misc Equipment	6.67%	-	-	-	-	-
24	340	Office Furniture & Equipment	6.67%	-	-	-	-	-
25	340.1	Computers & Software	20.00%	-	-	-	-	-
26	341	Transportation Equipment	20.00%	-	-	-	-	-
27	342	Stores Equipment	4.00%	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	5.00%	-	-	-	-	-
29	344	Laboratory Equipment	10.00%	-	-	-	-	-
30	345	Power Operated Equipment	5.00%	-	-	-	-	-
31	346	Communication Equipment	10.00%	-	-	-	-	-
32	347	Miscellaneous Equipment	10.00%	-	-	-	-	-
33	348	Other Tangible Plant	20.00%	-	-	-	-	-
34								
35		TOTAL		1,068,946	147,436	4,785,299	331,853	4,453,446

Liberty Utilities (Litchfield Park Water & Sewer) Corp.
Marbella Ranch Project
Plant Value

Exhibit 6

Page 6

		Year 4						
Line No.	NARUC Account No.	Description	Allowed Deprec. Rate	Plant Additions	Depreciation	Plant Balance	A/D Balance	Net Plant
1	301	Organization Cost	0.00%	-	-	-	-	-
2	302	Franchise Cost	0.00%	-	-	-	-	-
3	303	Land and Land Rights	0.00%	-	-	-	-	-
4	304	Structures & Improvements	3.33%	25,000	2,248	80,000	6,827	73,174
5	305	Collecting & Impounding Reservoirs	2.50%	-	-	-	-	-
6	306	Lake, River, Canal Intakes	2.50%	-	-	-	-	-
7	307	Wells & Springs	3.33%	672,000	33,566	1,344,000	89,510	1,254,490
8	308	Infiltration Galleries	6.67%	-	-	-	-	-
9	309	Raw Water Supply Mains	2.00%	-	-	-	-	-
10	310	Power Generation Equipment	5.00%	70,000	5,250	140,000	14,000	126,000
11	311	Pumping Equipment	12.50%	389,350	73,753	784,700	197,300	587,400
12	320	Water Treatment Equipment	3.33%	-	-	-	-	-
13	320	Water Treatment Plants	3.33%	-	-	-	-	-
14	320	Solution Chemical Feeders	20.00%	-	-	-	-	-
15	330	Distribution Reservoirs & Standpipes	2.22%	-	-	-	-	-
16	330.1	Storage Tanks	2.22%	-	-	-	-	-
17	330.2	Pressure Tanks	5.00%	-	-	-	-	-
18	331	Transmission & Distribution Mains	2.00%	553,383	62,083	3,380,832	166,150	3,214,681
19	333	Services	3.33%	173,250	14,148	511,500	28,022	483,478
20	334	Meters	8.33%	63,000	12,870	186,000	25,490	160,510
21	335	Hydrants	2.00%	110,250	7,188	414,500	15,660	398,840
22	336	Backflow Prevention Devices	6.67%	-	-	-	-	-
23	339	Other Plant & Misc Equipment	6.67%	-	-	-	-	-
24	340	Office Furniture & Equipment	6.67%	-	-	-	-	-
25	340.1	Computers & Software	20.00%	-	-	-	-	-
26	341	Transportation Equipment	20.00%	-	-	-	-	-
27	342	Stores Equipment	4.00%	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	5.00%	-	-	-	-	-
29	344	Laboratory Equipment	10.00%	-	-	-	-	-
30	345	Power Operated Equipment	5.00%	-	-	-	-	-
31	346	Communication Equipment	10.00%	-	-	-	-	-
32	347	Miscellaneous Equipment	10.00%	-	-	-	-	-
33	348	Other Tangible Plant	20.00%	-	-	-	-	-
34								
35		TOTAL		2,056,233	211,106	6,841,532	542,959	6,298,573

Liberty Utilities (Litchfield Park Water & Sewer) Corp.
Marbella Ranch Project
Plant Value

Exhibit 6

Page 7

		Year 5					
Line	NARUC Account	Allowed Deprec. Rate	Plant Additions	Depreciation	Plant Balance	A/D Balance	Net Plant
No.	No.						
1	301	0.00%	-	-	-	-	-
2	302	0.00%	-	-	-	-	-
3	303	0.00%	-	-	-	-	-
4	304	3.33%	-	2,664	80,000	9,491	70,510
5	305	2.50%	-	-	-	-	-
6	306	2.50%	-	-	-	-	-
7	307	3.33%	-	44,755	1,344,000	134,266	1,209,734
8	308	6.67%	-	-	-	-	-
9	309	2.00%	-	-	-	-	-
10	310	5.00%	-	7,000	140,000	21,000	119,000
11	311	12.50%	-	98,088	784,700	295,388	489,313
12	320	3.33%	-	-	-	-	-
13	320	3.33%	-	-	-	-	-
14	320	20.00%	-	-	-	-	-
15	330	2.22%	-	-	-	-	-
16	330.1	2.22%	-	-	-	-	-
17	330.2	5.00%	-	-	-	-	-
18	331	2.00%	284,914	70,466	3,665,746	236,616	3,429,130
19	333	3.33%	90,750	18,544	602,250	46,566	555,684
20	334	8.33%	33,000	16,868	219,000	42,358	176,642
21	335	2.00%	57,750	8,868	472,250	24,528	447,723
22	336	6.67%	-	-	-	-	-
23	339	6.67%	-	-	-	-	-
24	340	6.67%	-	-	-	-	-
25	340.1	20.00%	-	-	-	-	-
26	341	20.00%	-	-	-	-	-
27	342	4.00%	-	-	-	-	-
28	343	5.00%	-	-	-	-	-
29	344	10.00%	-	-	-	-	-
30	345	5.00%	-	-	-	-	-
31	346	10.00%	-	-	-	-	-
32	347	10.00%	-	-	-	-	-
33	348	20.00%	-	-	-	-	-
34							
35							
TOTAL			466,414	267,252	7,307,946	810,211	6,497,735

1 APPLICATION OF
2 LIBERTY UTILITIES (LITCHFIELD PARK WATER AND SEWER) CORP.
3 FOR AN EXTENSION OF EXISTING CERTIFICATE OF CONVENIENCE
4 AND NECESSITY TO PROVIDE WATER UTILITY SERVICE
5 IN MARICOPA COUNTY, ARIZONA

6 Exhibit 7

7 (General Statement of Financial Condition)
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COMPANY NAME**Litchfield Park Service Company (Water)****BALANCE SHEET**

Acct. No.	ASSETS	2012	2013
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 652,220	\$ (13,063)
132	Special Deposits		\$ 1,776,142
135	Temporary Cash Investments		
141	Customer Accounts Receivable	\$ 1,582,674	\$ 1,735,050
146	Notes/Receivables from Associated Companies	\$ 1,693,202	\$ 6,901,993
151	Plant Material and Supplies		
162	Prepayments	\$ 67,405	\$ 34,394
174	Miscellaneous Current and Accrued Assets	\$ 527,040	\$ 734,405
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 4,522,541	\$ 11,168,921
	FIXED ASSETS		
101	Utility Plant in Service	\$ 91,877,631	\$ 92,334,095
103	Property Held for Future Use		
105	Construction Work in Progress		268,385
108	Accumulated Depreciation - Utility Plant	19,513,182	23,018,924
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 72,364,449	\$ 69,583,556
	TOTAL ASSETS	\$ 76,886,991	\$ 80,752,477

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page.

COMPANY NAME

Litchfield Park Service Company (Water)

BALANCE SHEET (CONTINUED)

Acct. No.		2012	2013
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable		
232	Notes Payable (Current Portion)	\$ 142,239	\$ 169,600
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	\$ 194,389	
236	Accrued Taxes	\$ 39,862	\$ 39,067
237	Accrued Interest	\$ 82,978	\$ 87,538
241	Miscellaneous Current and Accrued Liabilities	\$ 1,382,440	\$ 50,387
	TOTAL CURRENT LIABILITIES	\$ 1,841,907	\$ 346,592
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 4,798,196	\$ 5,021,714
	DEFERRED CREDITS		
251	Unamortized Premium on Debt		
252	Advances in Aid of Construction	\$ 30,094,274	\$ 29,728,643
253	Other Deferred Credits	\$ 1,217,560	
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	\$ 4,336,397	\$ 4,941,962
272	Less: Amortization of Contributions	\$ 73,782	\$ 189,879
281	Accumulated Deferred Income Tax	\$ 626,052	\$ 2,701,827
	TOTAL DEFERRED CREDITS	\$ 36,200,501	\$ 37,182,553
	TOTAL LIABILITIES	\$ 42,840,603	\$ 42,550,859
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 44,574	\$ 44,574
211	Paid in Capital in Excess of Par Value	\$ 26,247,435	\$ 26,866,383
215	Retained Earnings	\$ 7,754,378	\$ 11,290,662
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 34,046,387	\$ 38,201,618
	TOTAL LIABILITIES AND CAPITAL	\$ 76,886,990	\$ 80,752,477

\$ (0) \$ (0)

COMPANY NAME**Litchfield Park Service Company (Water)****COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	2012	2013
461	Metered Water Revenue	\$ 11,056,254	\$ 11,625,594
460	Unmetered Water Revenue		
474	Other Water Revenues	\$ 235,723	\$ 211,976
	TOTAL REVENUES	\$ 11,291,976	\$ 11,837,571
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 978,291	\$ 1,091,766
610	Purchased Water	\$ 2,615	\$ 934
615	Purchased Power	\$ 891,103	\$ 977,532
618	Chemicals	\$ 208,080	\$ 137,595
620	Repairs and Maintenance	\$ 91,139	\$ 64,005
621	Office Supplies and Expense		
630	Outside Services	\$ 2,518,790	\$ 2,327,381
635	Water Testing	\$ 33,849	\$ 58,785
641	Rents	\$ 7,229	\$ (4,074)
650	Transportation Expenses	\$ 103,726	\$ 75,033
657	Insurance - General Liability	\$ 109,198	\$ 131,833
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case	\$ 164,547	
675	Miscellaneous Expense	\$ 149,423	\$ 218,931
403	Depreciation Expense	2,754,653	2,720,979
408	Taxes Other Than Income		
408.11	Property Taxes	158,004	188,162
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 8,170,649	\$ 7,988,863
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$ 544,406	\$ 34,653
420	AFUDC Income		20,320
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	315,420	367,396
	TOTAL OTHER INCOME/EXP	\$ 228,986	\$ (312,423)
	NET INCOME/(LOSS)	\$ 3,350,314	\$ 3,536,284

1 APPLICATION OF
2 LIBERTY UTILITIES (LITCHFIELD PARK WATER AND SEWER) CORP.
3 FOR AN EXTENSION OF EXISTING CERTIFICATE OF CONVENIENCE
4 AND NECESSITY TO PROVIDE WATER UTILITY SERVICE
5 IN MARICOPA COUNTY, ARIZONA

6 **Exhibit 8**

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8 **(Applicant's Schedule of Rates and Charges)**
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Applies to all WATER service areas

PART ONE**STATEMENT OF CHARGES FOR WATER SERVICE****I. RATES – General Residential, Commercial, Industrial, and Irrigation Service**

Originally in Decision No. 72026, dated December 10, 2010, and again in Decision No. 72682, dated November 17, 2011, the Commission authorized the following rates and charges to become effective December 1, 2011:

A. Monthly Usage Charge – 100 Percent Phase In (Phase 3)

<u>Meter Size</u> Inches	<u>Minimum Charge</u> Per Month
5/8" x 3/4" Meter – All Classes	\$ 10.20
3/4" Meter – All Classes	10.20
1" Meter – Residential	22.95
1" Meter – All Classes but Residential	25.50
1 1/2" Meter – All Classes	51.00
2" Meter – All Classes	81.60
3" Meter – All Classes	163.20
4" Meter – All Classes	255.00
6" Meter – All Classes	510.00
8" Meter (Bulk Resale Only)	501.00
8" Meter – All Classes	841.50
10" Meter – All Classes	1,173.00
12" Meter – All Classes but Irrigation	2,193.00
12" Meter – Irrigation	2,193.00

Issued: November 30, 2011

Effective: December 1, 2011

ISSUED BY:

Greg Sorensen, Director of Operations
Litchfield Park Service Company
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392

Applies to all WATER service areas
PART ONE
STATEMENT OF CHARGES FOR WATER SERVICE

B. Commodity Rates – 100 Percent Phase In (Phase 3)

The rate for use in addition to the minimum stated above shall be at the following rates per 1,000 gallons:

<u>Meter Size</u>	<u>Consumption</u>	<u>Rate</u>
5/8" x 3/4" Meter (Residential)	0 to 3,000	\$1.00
	3,001 to 9,000	1.91
	Over 9,000	3.03
3/4" Meter (Residential)	0 to 3,000	1.00
	3,001 to 9,000	1.91
	Over 9,000	3.03
1" Meter (Residential)	0 to 5,000	1.00
	5,001 to 20,000	1.91
	Over 20,000	3.03
5/8" x 3/4" and 3/4" Meter (Commercial, Industrial, Irrigation)	0 to 9,000	1.91
	Over 9,000	3.03
1" Meter (Commercial, Industrial, Irrigation)	0 to 20,000	1.91
	Over 20,000	3.03
1 1/2" Meter (Residential, Commercial, Industrial, Irrigation)	0 to 40,000	1.91
	Over 40,000	3.03
2" Meter (Residential, Commercial, Industrial, Irrigation)	0 to 60,000	1.91
	Over 60,000	3.03

Issued: November 30, 2011

Effective: December 1, 2011

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Greg Sorensen, Director of Operations
 Litchfield Park Service Company
 12725 W. Indian School Road, Suite D-101
 Avondale, AZ 85392

Applies to all WATER service areas

PART ONE**STATEMENT OF CHARGES FOR WATER SERVICE****Section I.B continued – 100 Percent Phase In (Phase 3)**

<u>Meter Size</u>	<u>Consumption</u>	<u>Rate</u>
3" Meter (Residential, Commercial, Industrial, Irrigation)	0 to 120,000	\$1.91
	Over 120,000	3.03
4" Meter (Residential, Commercial, Industrial, Irrigation)	0 to 180,000	1.91
	Over 180,000	3.03
6" Meter (Residential, Commercial, Industrial, Irrigation)	0 to 360,000	1.91
	Over 360,000	3.03
8" Meter (Residential, Commercial, Industrial, Irrigation)	0 to 650,000	1.91
	Over 650,000	3.03
8" Meter (Bulk Resale Only)	All Gallons	1.50
10" Meter (Residential, Commercial, Industrial, Irrigation)	0 to 940,000	1.91
	Over 940,000	3.03
12" Meter (Residential, Commercial, Industrial, Irrigation)	0 to 1,200,000	1.91
	Over 1,200,000	3.03
Construction Water*	All Gallons	3.03

*There is no monthly minimum for hydrant meters.

Issued: November 30, 2011

Effective: December 1, 2011

ISSUED BY:

Greg Sorensen, Director of Operations
Litchfield Park Service Company
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392

Applies to all WATER service areas

PART ONE**STATEMENT OF CHARGES FOR WATER SERVICE****C. Service Line and Meter Installation Charges****(Refundable Pursuant to A.A.C. R14-2-405)**

<u>Meter Size</u>	<u>Line</u>	<u>Meter</u>	<u>Total</u>
5/8 x 3/4" Meter	\$385.00	\$135.00	\$520.00
3/4" Meter	385.00	215.00	600.00
1" Meter	435.00	255.00	690.00
1 1/2" Meter	470.00	465.00	935.00
2" Turbine Meter	630.00	965.00	1,595.00
2" Compound Meter	630.00	1,690.00	2,320.00
3" Turbine Meter	805.00	1,470.00	2,275.00
3" Compound Meter	845.00	2,265.00	3,110.00
4" Turbine Meter	1,170.00	2,350.00	3,520.00
4"Compound Meter	1,230.00	3,245.00	4,475.00
6" Turbine Meter	1,730.00	4,545.00	6,275.00
6"Compound Meter	1,770.00	6,280.00	8,050.00
8" Meter & Larger	At Cost	At Cost	At Cost

Issued: November 30, 2011

Effective: December 1, 2011

ISSUED BY:

Greg Sorensen, Director of Operations
Litchfield Park Service Company
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392

Applies to all WATER service areas
PART ONE
STATEMENT OF CHARGES FOR WATER SERVICE

D. Service Charges

<u>Service</u>	<u>Charge</u>
Establishment (a)	\$20.00
Establishment (After Hours) (a)	40.00
Re-Establishment of Service (a)	(b)
Reconnection (Regular Hours) (a)	\$50.00
Reconnection (After Hours) (a)	65.00
Meter Test (if correct) (c)	25.00
Meter Re-Read (if correct)	5.00
NSF Check	25.00
Deferred Payment, Per Month	1.50%
Late Charge	(d)
Service Calls, Per Hour / After Hours (e)	\$40.00
Deposit Requirement	(f)
Deposit Interest	3.50%

(a) Service charges for customers taking both water and sewer services are not duplicative.

(b) Minimum charge times number of months disconnected.

(c) \$25.00 plus cost of test.

(d) Greater of \$5.00 or 1.50% of unpaid balance.

(e) No charge for service calls during normal working hours.

(f) Per Rule R14-2-403(B):

Residential – two times the average bill;

Commercial – two and one-half times the average bill.

ISSUED BY:

Greg Sorensen, Director of Operations
Litchfield Park Service Company
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392

Applies to all WATER service areas
PART ONE
STATEMENT OF CHARGES FOR WATER SERVICE

Section I.D continued

*Hydrant Meter Deposit	
5/8 x 3/4" Meter	\$ 135.00
3/4" Meter	215.00
1" Meter	255.00
1 1/2" Meter	465.00
2" Turbine Meter	965.00
2" Compound Meter	1,690.00
3" Turbine Meter	1,470.00
3" Compound Meter	2,265.00
4" Turbine Meter	2,350.00
4" Compound Meter	3,245.00
6" Turbine Meter	4,545.00
6" Compound Meter	6,280.00
8" Meter & Larger	At Cost

* Shall have a non-interest bearing deposit of the amount indicated, refundable in its entirety upon return of the meter in good condition and payment of final bill.

Issued: November 30, 2011

Effective: December 1, 2011

ISSUED BY:

Greg Sorensen, Director of Operations
Litchfield Park Service Company
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392

Applies to all WATER service areas
PART ONE
STATEMENT OF CHARGES FOR WATER SERVICE

II. TAXES AND ASSESSMENTS

In addition to all other rates and charges authorized herein, the Company shall collect from its customers all applicable sales, transaction, privilege, regulatory or other taxes and assessments as may apply now or in the future, per Rule R14-2-409(D)(5).

Issued: November 30, 2011

ISSUED BY:

Effective: December 1, 2011

Greg Sorensen, Director of Operations
Litchfield Park Service Company
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392

Applies to all WATER service areas

PART ONE

STATEMENT OF CHARGES FOR WATER SERVICE

III. PERMITTED COSTS

- A. Costs shall be verified by invoice.
- B. For services that are provided by the Company at cost, costs shall include labor, materials, other charges incurred, and overhead not to exceed 10%. However, prior to any such service being provided, the estimated cost of such service will be provided by the Company to the customer. After review of the cost estimate, the customer will pay the amount of the estimated cost to the Company.
- C. In the event that the actual cost is less than the estimated cost, the Company will refund the excess to the customer within 30 days after completion of the provision of the service or after Company's receipt of invoices, timesheets or other related documents, whichever is later.
- D. In the event the actual cost is more than the estimated cost, the Company will bill the customer for the amount due within 30 days after completion of the provision of the service or after the Company's receipt of invoices, timesheets or other related documents, whichever is later. The amount so billed will be due and payable 30 days after the invoice date. However, if the actual cost is more than five percent (5%) greater than the total amount paid, the customer will only be required to pay five percent (5%) more than the total amount paid, unless the Company can demonstrate that the increased costs were beyond its control and could not be foreseen at the time the estimate for the total amount paid was made.
- E. At the customer's request, the Company shall make available to the customer all invoices, timesheets or related documents that support the cost for providing such service.
- F. Permitted costs shall include any Federal, State or local taxes that are or may be payable by the Company as a result of any tariff or contract for water facilities under which the Customer advances or contributes funds or facilities to the Company.

ISSUED BY:

Greg Sorensen, Director of Operations
Litchfield Park Service Company
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392

1 APPLICATION OF
2 LIBERTY UTILITIES (LITCHFIELD PARK WATER AND SEWER) CORP.
3 FOR AN EXTENSION OF EXISTING CERTIFICATE OF CONVENIENCE
4 AND NECESSITY TO PROVIDE WATER UTILITY SERVICE
5 IN MARICOPA COUNTY, ARIZONA

6 Exhibit 9

7 (Estimated Annual Operating Revenue and Expenses – First Five Years)
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Liberty Utilities (Litchfield Park Water & Sewer) Corp.
Marbella Ranch Project
Projected Statements of Income

Exhibit 9

Line No.		<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
1	Metered Water Revenue /a					
2	Residential	6,449	45,142	109,630	174,118	238,606
3	Commercial	-	-	-	-	-
4	Industrial	-	-	-	-	2,620
5	Irrigation	3,823	11,468	19,114	26,759	34,404
6	Unmetered Water Revenue					
7	Other Water Revenues	840	4,040	4,040	4,040	4,080
8	Total Estimated Revenues	11,112	60,650	132,783	204,917	279,711
9						
10	Pumping Power/1	868	4,900	11,229	17,557	24,073
11	Chemicals/1	200	1,129	2,586	4,043	5,544
12	Repairs & Maint/2	151	1,028	2,481	3,933	5,393
13	Insurance/2	20	139	336	533	731
14	Office, Billing, Postage, Ops. /2	114	779	1,880	2,981	4,088
15	Total Variable Costs	1,354	7,976	18,512	29,048	39,828
16						
17	Depreciation /3	58,808	125,609	147,436	211,106	267,252
18	CIAC Amort /4	(5,177)	(22,814)	(37,434)	(54,153)	(74,054)
19	Property Taxes /5	141	653	2,042	4,166	6,616
20	Income Taxes /6	(15,591)	(17,985)	789	5,225	14,193
21	Total Other Expense	38,181	85,463	112,833	166,343	214,007
22						
23	Total Operating Expenses	39,535	93,439	131,345	195,391	253,835
24						
25	Operating Income (Expense)	(28,424)	(32,789)	1,439	9,525	25,875
26						
27	/a - Based on customer growth and average revenue for typical meter					
28	/1 - Based on gallons sold					
29	/2 - Based on number of customers					
30	/3 - Based on plant estimate & authorized depreciation rates					
31	/4 - Based on customer growth at current HUF					
32	/5 - ADOR property tax calculation					
33	/6 - Based on composite rate last rate case					
34						

1 APPLICATION OF
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5 IN MARICOPA COUNTY, ARIZONA

6 **Exhibit 10**

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8 **(Written Request for Service)**
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March 20, 2014

Mr. Greg Sorenson
Liberty Utilities (Litchfield Park Water & Sewer) Corp.
12725 W Indian School Rd., Suite D101
Avondale, AZ 85392

Re: Request for Water and Sewer Service

Dear Mr. Sorenson:

El Paso Natural Gas Company, L.L.C. ("El Paso") is the current owner of land located in Section 2, Township 2 North, Range 1 West consisting of the following tax parcel numbers:

501-53-006A, 501-53-007A, 501-53-008B, 501-53-009B, 501-53-010C, 501-53-0012A,
501-53-013A, 51-53-014A, 501-53-015 and 501-53-016A

El Paso is under contract to sell the property to TRS 8, LLC ("TRS"). TRS is planning to develop the property to include up to 1,260 residential homes and commercial and industrial property.

El Paso and TRS hereby request that Liberty Utilities (Litchfield Park Water & Sewer) Corp. provide water and sewer services to the indicated tax parcels and include the property in the Company's planned extension of its Certificate of Convenience and Necessity for water and sewer services.

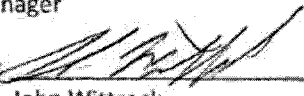
El Paso Natural Gas Company, L.L.C.

TRS 8, LLC

By: Kinder Morgan Operating LP A
Its: Manager

By: 
Its: 

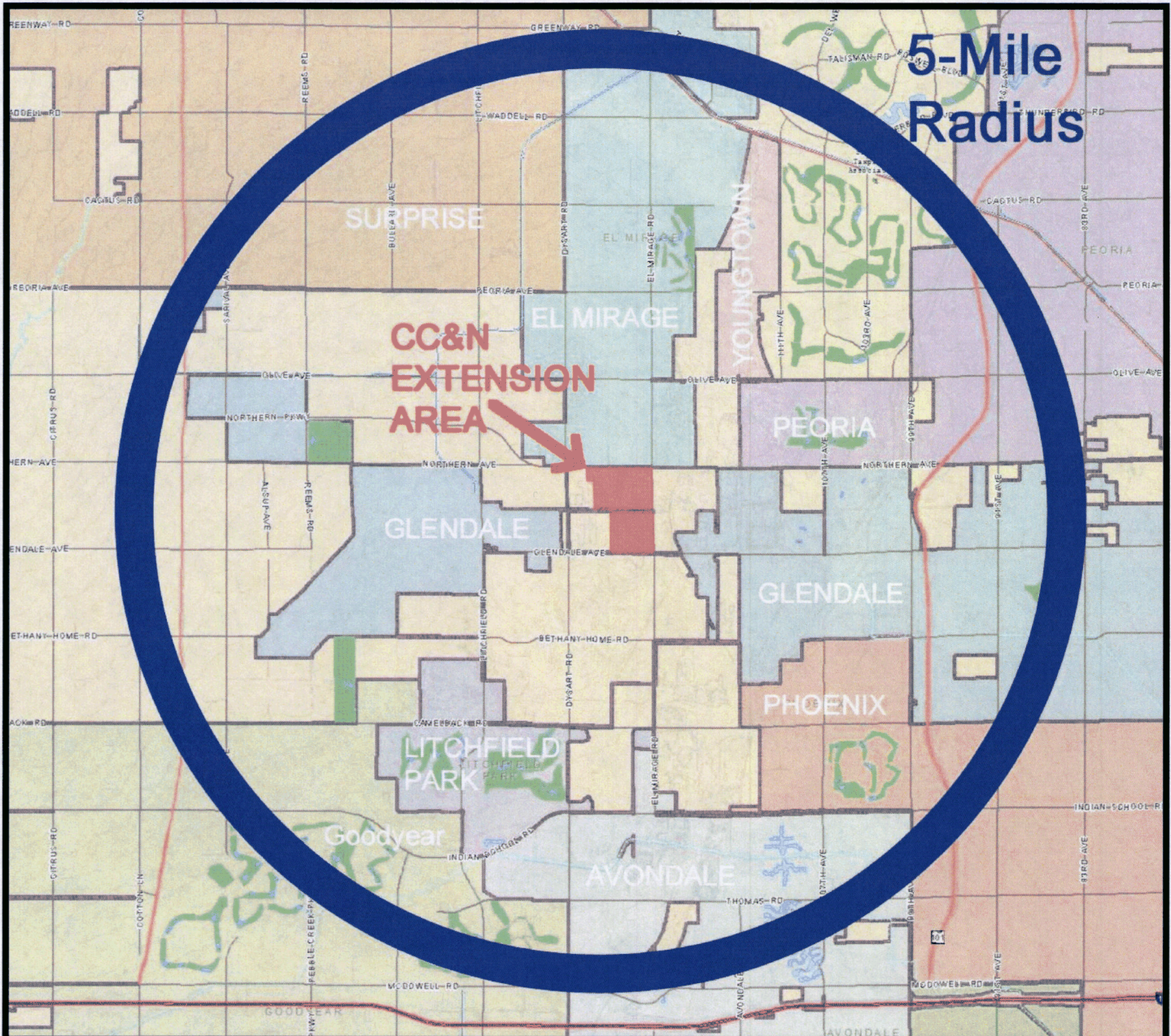
By: Taproot Consulting LLC
Its: Manager

By: 
John Wittrock
Its: Manager

1 APPLICATION OF
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5 IN MARICOPA COUNTY, ARIZONA

6 **Exhibit 11**

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9 **(Maps of Existing Service Area and Requested Area)**
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The City of Glendale is the closest municipality with portions of the CC&N Extension Area being part of the City of Glendale strip annex along both Glendale Ave. and Northern Ave. However, with the exception of the strip annex within the road right-of-way, the CC&N Extension area is within unincorporated Maricopa County.

Also within five miles is the City of Goodyear, City of Avondale, the City of Litchfield Park, the City of Phoenix, the City of Peoria, the Town of El Mirage, the Town of Youngtown and the City of Surprise.

CC&N Extension and Nearby Municipalities

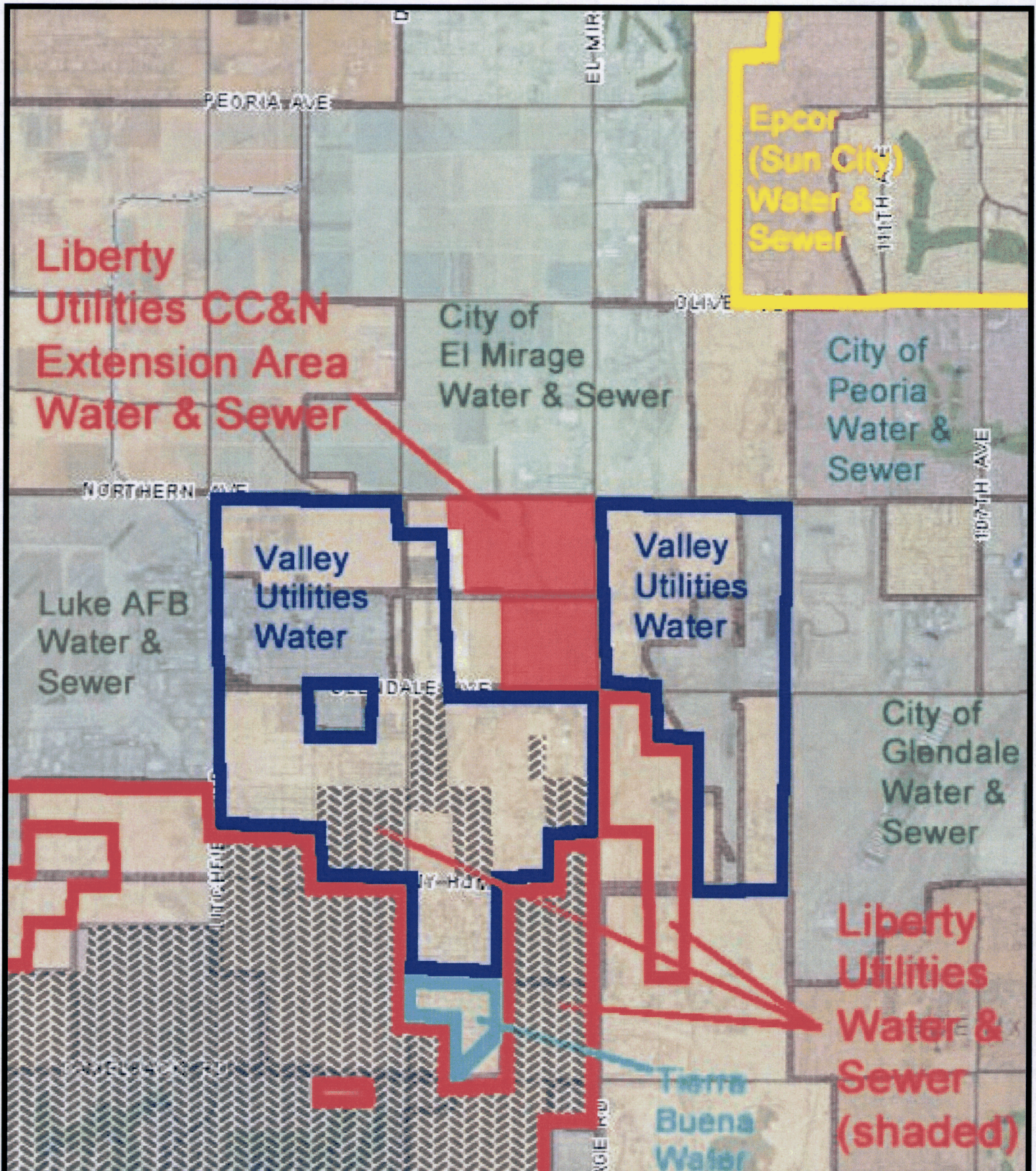
Map:

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ARICOR
Water Solutions

**Liberty Utilities (Litchfield Park
Water & Sewer) Corp.**

DATE:
4-8-14



CC&N Extension and Nearby Service Areas

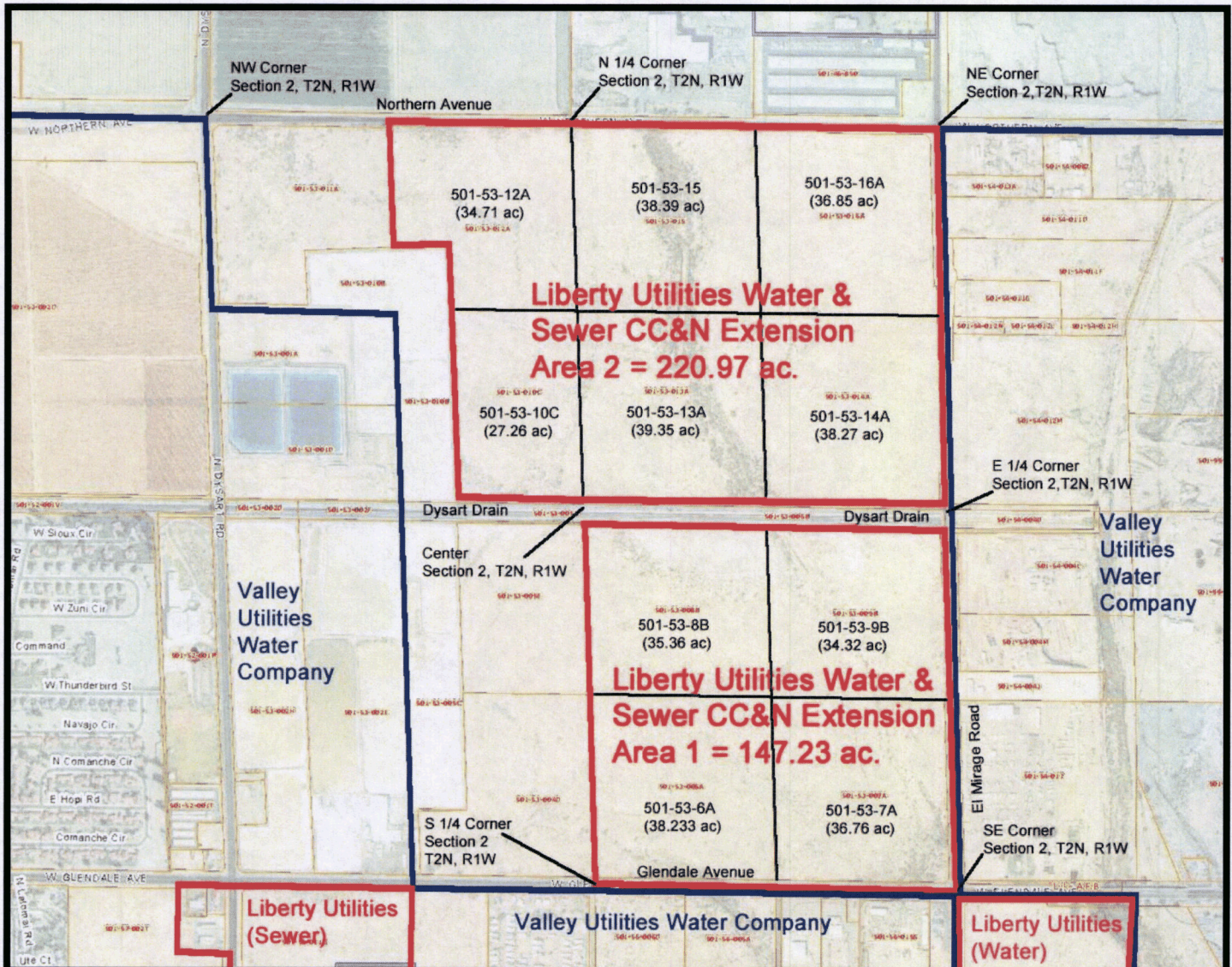
Map:

11-2

ARICOR
Water Solutions

**Liberty Utilities (Litchfield Park
Water & Sewer) Corp.**

DATE:
4-8-14



CC&N Extension Area 1 consists of four parcels and CC&N Extension Area 2 consists of six parcels. The total Extension Area is 368.20 acres. All parcels are currently owned by El Paso Natural Gas Company, L.L.C. and are under contract to TRS 8, LLC the developer of the property.

El Paso Natural Gas Company, L.L.C. and TRS 8, LLC have jointly requested both water and sewer service from Liberty Utilities (Litchfield Park Water & Sewer) Corp. by letter dated March 20, 2014. There are no parcels within the Extension Area that have not requested service.

There are no existing water or sewer service connections within the CC&N Extension Area

CC&N Extension Areas and Individual Parcels

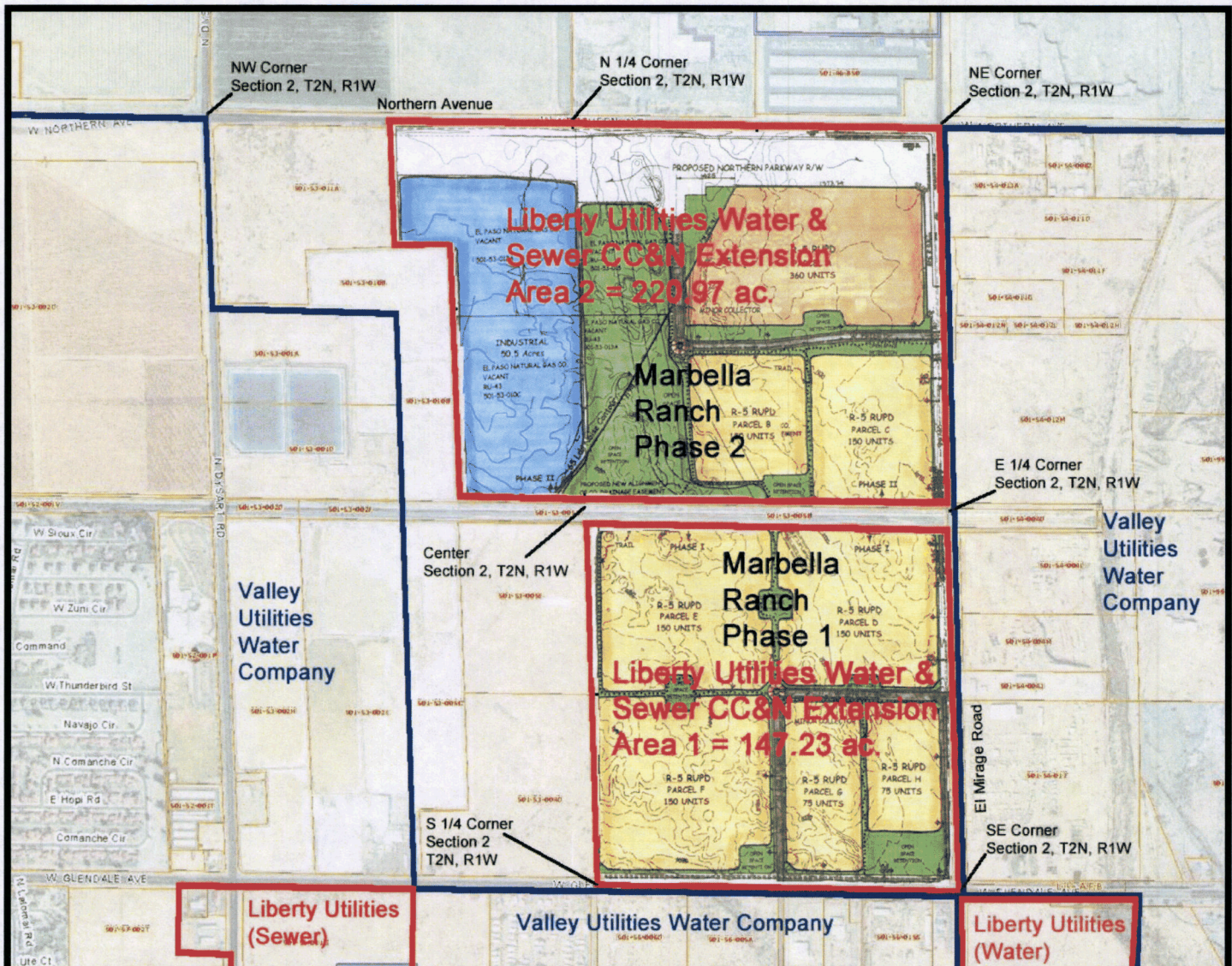
ARICOR
Water Solutions

**Liberty Utilities (Litchfield Park
Water & Sewer) Corp.**

Map:

11-3

DATE:
4-8-14



TRS 8, LLC is planning to develop an approximately 350 acre mixed use development known as Marbella Ranch in the CC&N Extension Area. Marbella Ranch Phase 1 consists of 600 housing units. Marbella Ranch Phase 2 consists of 660 housing units. Phase 2 also includes 50.5 acres of industrial development.

TRS 8, LLC has requested rezoning for a Multiple-Family Residential (R-5) Residential Unit Plan of Development ("RUPD") zoning district on the Property outside of the AICUZ lines. R-5 RUPD allows for single family detached and attached residential subdivisions with a variety of lot widths, as well as the potential for multi-family residential.

CC&N Extension Area and Proposed Marbella Ranch

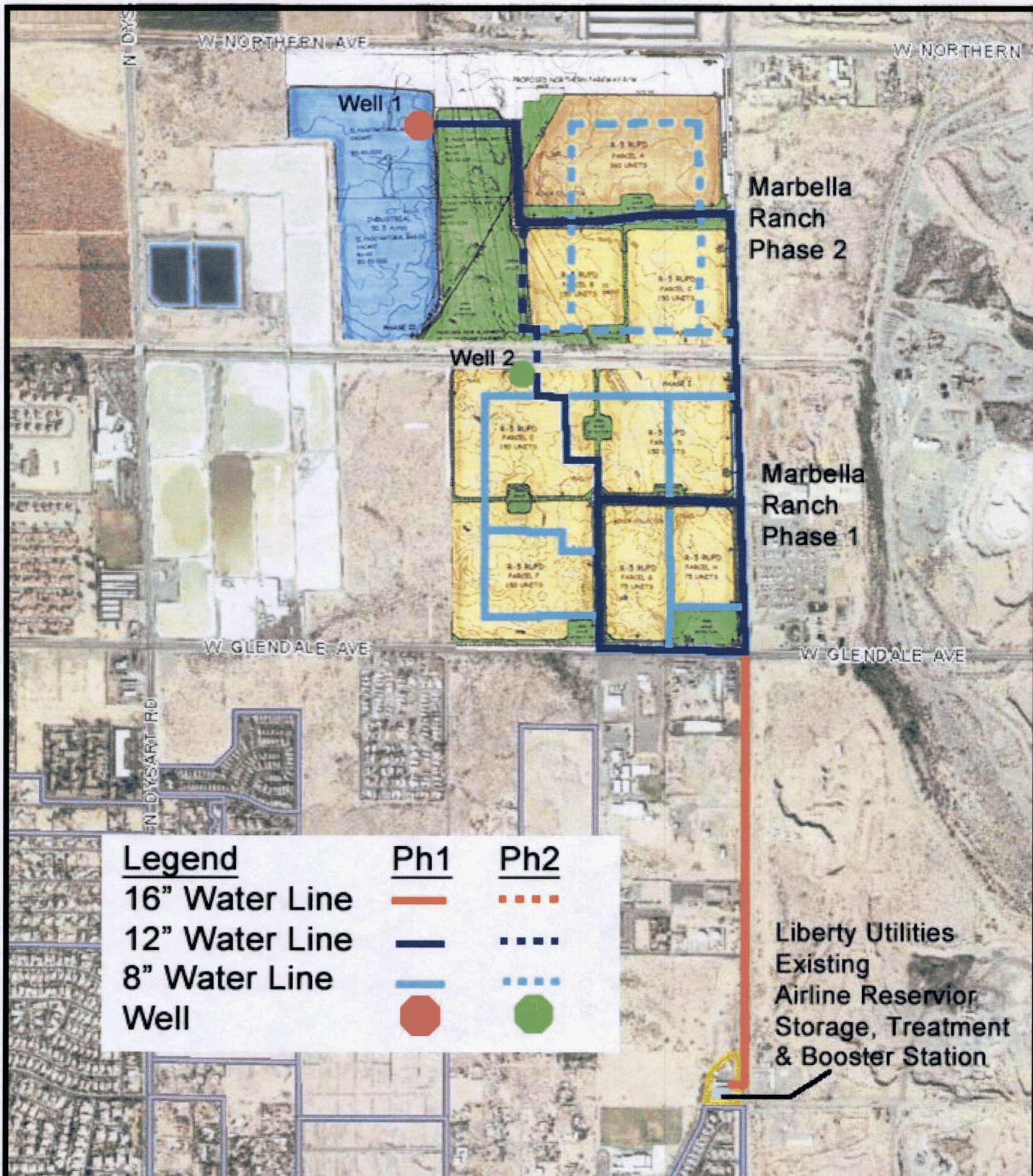
Map:

11-4

ARICOR
Water Solutions

**Liberty Utilities (Litchfield Park
Water & Sewer) Corp.**

DATE:
4-8-14



Proposed Water System and Principal Components

Map:

11-5

ARICOR
Water Solutions

**Liberty Utilities (Litchfield Park
Water & Sewer) Corp.**

DATE:
4-11-14

1 APPLICATION OF
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5 IN MARICOPA COUNTY, ARIZONA

6 Exhibit 12

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8 (Notice to Municipalities within 5 miles)
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[Liberty Utilities Letterhead]

April __, 2014

Notice Required Pursuant to R14-2-402.B.4
Request for Certificate of Convenience and Necessity Extension
Filed by Rio Verde Utilities, Inc.

Pursuant to A.A.C. R14-2-402.B.4, Liberty Utilities (Litchfield Park Water & Sewer) Corp. ("Liberty") is providing this notice that Liberty has made application to the Arizona Corporation Commission ("ACC") to extend its Certificate of Convenience and Necessity to provide water service to properties contiguous to its existing Certificate of Convenience and Necessity. The requested extension area is within five miles of your municipality's corporate limits. The specific notice requirements are as follows:

Applicant Name, Mailing Address and Telephone Number

Liberty Utilities (Litchfield Park Water & Sewer) Corp.
12725 W. Indian School Road, Suite D-101
Avondale, AZ 85392
623-935-9367

Date Application was Filed

[TBD]

Type of Service to be Provided

Water Service

A Description of Requested Service Area

See Exhibit 4 and Map – 11-1 from the Application to the ACC, attached.

Commission Docket Number

[TBD]

Instructions on How to Obtain a Copy of Application

The application is available for inspection during regular business hours at the offices of the Commission in Phoenix at 1200 West Washington Street, and at Liberty Utilities, 12725 W. Indian School Road, Suite D-101, Avondale, AZ 85392. In addition, upon request, Liberty will provide a printed copy or electronic copy upon request.

1 APPLICATION OF
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6 **Exhibit 13**

7 **(Estimated Number of Customers – First Five Years)**
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Liberty Utilities (Litchfield Park Water & Sewer) Corp.
Marbella Ranch Project
Customer Projections

Exhibit 13

Line

No.

1	Customer Additions:	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
2	Residential	40	200	200	200	200
3	Commercial	0	0	0	0	0
4	Industrial	0	0	0	0	2
5	Irrigation	2	2	2	2	2
6						
7	Cumulative Customers:					
8	Residential	40	240	440	640	840
9	Commercial	0	0	0	0	0
10	Industrial	0	0	0	0	2
11	Irrigation	2	4	6	8	10
12						

1 APPLICATION OF
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6 **Exhibit 14**

7 **(Public Water System Compliance Report)**



Maricopa County
Environmental Services Department

PUBLIC WATER SYSTEM COMPLIANCE STATUS REPORT

System Name: Liberty Utilities

PWS ID#: 07-046

Type of System: Community Number of POE's: 6 Surface Water: No
Number of Service Connections: 12049 Population Served: 34000

Assigned Monitoring Dates – Initial: 1/1/95

Does the water system have a Certified Operator? Yes

Does the system have major treatment plant deficiencies? No
Please describe:

Date of last inspection: 8/28/13 Sanitary Survey, 11/7/12 Treatment Plant

Does the system have major O & M deficiencies? No
Please describe:

Does the system have water quality monitoring/reporting deficiencies? No
Please describe:

General Public Water System Compliance Status? Compliance

Date of compliance review: 8/28/13 By: **Cory Smith** Initials: CS
Phone: (602) 506-6644

Requested By: Post Survey Fax Number/ Contact: _____ Tracking Number:
Supervisor Initials: _____ Date: _____

Safe Drinking Water Program

Korissa Entringer R.S., Manager

1001 N. Central Ave., Suite 150 Phoenix, Arizona 85004-1940 Phone: (602) 506-6935 Fax: (602) 372-0866

1 APPLICATION OF
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6 **Exhibit 15**

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8 **(Water Use Data Sheet)**
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ADEQ Public Water System Number: 04-07-046

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLONS PUMPED	GALLONS PURCHASED
April 2013	17,784	232,585,601	273,038,000	
May 2013	17,822	274,073,549	354,620,000	
June 2013	17,901	335,629,424	391,669,000	
July 2013	17,949	381,765,817	423,069,000	
August 2013	17,983	374,524,188	398,086,000	
September 2013	18,067	352,105,281	332,376,000	
October 2013	18,119	313,226,407	359,407,000	
November 2013	18,143	324,039,860	270,664,000	
December 2013	18,205	224,496,019	205,500,000	
January 2014	18,255	180,078,231	212,875,000	
February 2014	18,314	187,950,221	205,640,000	
March 2014	18,408	195,909,391	207,146,400	
TOTALS →		3,376,383,989	3,634,090,400	

1

COMPANY NAME: Liberty Utilities

Name of System: Litchfield Park Service Company

ADEQ Public Water System Number: 02007

ARSENIC LEVEL FOR WELLS

WELL NO.	EPDS NO.	DWR #	ARSENIC VALUE (PPM)	COMMENTS
1	001	55-583454	.0101	
2	001	55-611680	.0109	
4	001	55-611678	.0091	
5	001	55-611677	.0098	
6	001	55-533836	.0173	
20B	002	55-611717	.0151	
34C	006	55-611687	.0075	
2AL	004	55-611724	.0062	
10AL	005	55-214539	.005	
4AL	003	55-611726	.0151	
5AL	003	55-611727	.0527*	*No current data, but tends to be similar to 9AL
9AL	003	55-611729	.0527	

1 APPLICATION OF
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6 **Exhibit 16**

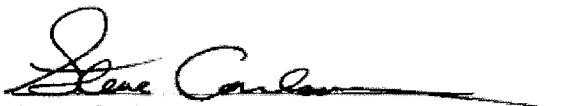
7
8 **(Notarized Signature on Behalf of Applicant)**
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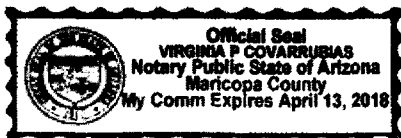
AFFIDAVIT OF STEVE CARLSON

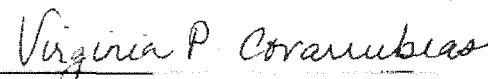
Steve Carlson, being duly sworn, deposes and says:

1. I am a resident of Maricopa County, over 18 years of age, and make this affidavit based on my own personal knowledge.
2. I am the Development Services Manager for Liberty Utilities (Litchfield Park Water and Sewer) Corp. ("Liberty").
3. The Application for an Extension of Liberty's existing water CC&N, to which this affidavit is attached, was prepared under my supervision.


Steve Carlson

SUBSCRIBED and sworn to before me this 16th day of April, 2014.




Notary Public

My Commission Expires:

4/13/2018